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Chairman: Mr. MacKay .... (New Zealand)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Kuznetsov

Contents

Agenda item 117: United Nations pension system

Agenda item 114: Human resources management (*continued*)

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The meeting was called to order at 3.05 p.m.

Agenda item 117: United Nations pension system (A/59/9 and Add.1, A/C.5/59/11 and A/59/447)

1. **Mr. Busca** (Chairman of the United Nations Joint Staff Pension Board), introducing the report of the United Nations Joint Staff Pension Board (A/59/9 and Add.1), said that the report provided information on the global operations of the Fund, which currently consisted of 20 member organizations. In 2003, attention had been drawn to the diverging views of the Fund and the Office of Internal Oversight Services (OIOS) regarding the internal auditing of the Pension Fund. Thanks to the intervention of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and the action taken by the General Assembly, the auditing function was now operating efficiently and with a better sense of responsibility and mutual understanding. In addition, the Board had approved the internal audit charter for the Fund, which represented an essential working tool for its management. The Board had expressed reservations about the establishment of an audit committee and felt that the financial implications of the proposal must be clearly assessed before any decision was taken. To that end, the Secretary/Chief Executive Officer (CEO) of the Fund had been asked to prepare a substantive document on the issue for consideration by the Standing Committee in 2005.

2. The actuarial valuation as at 31 December 2003 had confirmed that the Fund was in a strong and solid financial position and, in spite of the adverse effect of the devaluation of the United States dollar against other major currencies and the application of the five-year moving market value average method of calculating the assets, had revealed a surplus of 1.14 per cent of pensionable remuneration. The valuation included safety margins, as the Committee of Actuaries had recommended in 2003, namely, a reduction in the tabular mortality for Professional staff and certain other minor provisions. Moreover, some long-term assumptions used for the valuation were well below actual experience.

3. The funded position of the Fund had improved considerably over the previous 20 years and its capitalization was sufficient for the current structure of benefits. However, since actuarial results were influenced by variations in investment markets and currency fluctuations, the Committee of Actuaries had recommended prudence in the use of the actuarial surplus.

4. The Board had unanimously agreed to recommend to the General Assembly two measures, namely, the phased elimination of the 1.5 per cent reduction in the first consumer price index (CPI) adjustments due under the Fund's Pension Adjustment System and the implementation of an adjustable minimum guarantee at 80 per cent of the United States dollar-track amount. The total actuarial cost of those measures accounted for approximately 0.15 per cent of pensionable remuneration, leaving a margin of around 1 per cent of the actuarial surplus as a cushion against future actuarial and financial fluctuations.

5. The Board had carefully considered the possibility of purchasing additional years of contributory service and had unanimously agreed to support provisions to that end in order to improve mobility and facilitate recruitment. It had requested the Secretary/CEO, in consultation with the Committee of Actuaries, to work out the technical details relating to the introduction of such measures and to submit a report to the Standing Committee in 2005.

6. With regard to the forthcoming review by the International Civil Service Commission (ICSC) of the methodologies for determining pensionable remuneration, the Board had proposed a collaborative work schedule for the period 2004-2006 and had also recommended the establishment of a formal joint ICSC-Pension Board Working Group and a contact group of the Board. The Commission had agreed to the terms of reference of the Working Group and the modalities of cooperation.

7. As far as financial and administrative matters were concerned, the Board had approved additional resources in the amount of $5.3 million for the biennium 2004-2005, relating primarily to expenses arising from the 16-year lease agreement for the Fund's new accommodation. It also welcomed the initiative of the Secretary/CEO to develop a set of financial and accounting rules specifically for the Fund and his commitment to presenting a management charter that depicted the Fund as a service-oriented organization with a strong focus on quality of service, easily accessible information, quick and reliable responses to clients and complete transparency.

8. Following the adoption of General Assembly resolution 57/286, a Working Group had been

established to carry out a review of the size and composition of the Board. However, after considering the Working Group's report, the Board had requested it to study further the issues involved and had provided additional guidelines (A/59/9, paragraph 204) to facilitate its task.

9. Lastly, the Board had approved, subject to the concurrence of the General Assembly, the revised transfer agreement with the Organization for Security and Cooperation in Europe (OSCE) and a new transfer agreement with the World Trade Organization (WTO). It had also authorized the Secretary/CEO to finalize and present to the General Assembly proposed agreements with the Universal Postal Union (UPU), the Coordinated Organizations and the Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization, provided that they incorporated the same substantive provisions. Concluding new transfer agreements with governments or organizations could ultimately help to improve the mobility and recruitment of staff.

10. **Ms. Bertini** (Under-Secretary-General for Management), introducing the report of the Secretary-General on the investments of the United Nations Joint Staff Pension Fund (A/C.5/59/11), said that, during the biennium under review, despite largely volatile markets, the market value of the Fund's assets had increased to $27.2 billion as at 27 October. After adjustment by the United States CPI, the total annualized rate of return was 8.7 per cent. The cumulative annualized total rate of return over the 44-year period for which data was available was 8.6 per cent, representing a yearly real rate of return of 4.1 per cent after adjustment by the United States CPI. The investment returns for the previous 5, 10, 15, 20 and 25 years were all above the Fund's investment objective of 3.5 per cent real rate of return.

11. The major contribution to performance during the biennium had come from bonds, which had generated a return of 21.9 per cent. Real estate and short-term investments had also performed well, yielding returns of 15.9 and 9.6 per cent, respectively. The performance of equities had been mixed; while those outside the United States showed a return of 10.7 per cent, United States equities were the only asset class with a negative return (-0.8 per cent).

12. The Fund was unique among major pension funds on account of its commitment to global investment and diversification of its assets. During the biennium under review, its equities exposure had increased to 59.7 per cent and, as at 31 March 2004, exposure to bonds was 28.9 per cent, exposure to real estate had increased to 6.3 per cent and exposure to short-term investments had decreased to 5.1 per cent. As the euro had begun to appreciate against the United States dollar, the proportion of investments in dollars had decreased from 56.6 to 48.9 per cent, while investments in major European currencies were increased from 27.8 to 35.3 per cent. In terms of geographical diversification, the proportion of the Fund invested in North America had declined to 43.3 per cent whereas investments in Europe and the Asia and Pacific region had both increased.

13. The Fund had continued to pay attention to development-related investments, with the result that, as at 31 March 2004, direct and indirect investments in developing countries amounted to $1.7 billion at cost value, which represented an increase of approximately 55 per cent since 31 March 2002. The total market value of development-related investments as at 31 March 2004 was approximately $2.2 billion, representing around 8.3 per cent of the Fund's total market value.

14. The Department of Management, in full cooperation with the Procurement Division, had recently completed the sale of a property in New York that had been purchased by the Fund in 2002. The sale had yielded a profit of approximately $30.6 million with an annualized rate of return of approximately 10.7 per cent. All contracts entered into by the Investment Management Service had been reviewed in order to ensure that they met United Nations requirements, and all future contracts would be reviewed by the Office of Legal Affairs. The Investment Management Service itself was in the process of implementing a number of reforms, including a changed custodial structure. With a view to increasing the efficiency and cost effectiveness of the system, regional custodians would be replaced by one global custodian for the whole Fund. The Investment Management Service no longer had sufficient resources to deal with the increasing size of the Fund, and measures had therefore been implemented to strengthen its capacity. For instance, a consultancy firm had been hired to assist in translating audit recommendations into appropriate action and another firm had been contracted to conduct a comprehensive review of investment practices. In

addition, the procedures employed by the Service now adhered to industry standards and its staff all complied with ethical standards laid down by the Chartered Financial Analyst (CFA) Institute. An audit charter, intended to institutionalize the internal audit function for the Fund, reaffirm the principles underpinning that function and define the pertinent conditions and procedures for the effective and efficient delivery of internal audit services, had also been drafted and approved by the Pension Board.

15. Lastly, she recalled that the Secretary-General wanted the United Nations to become a leading example of responsible corporate citizenship in its administrative and investment practices and, to that end, it would be necessary to develop a more formal investment policy for the Fund so that it could pursue a sound investment strategy on the basis of the Global Compact principles and fully exercise the best practices of fiduciary responsibility.

16. **Mr. Saha** (Vice-Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of ACABQ (A/59/447), said that the report of the Board could be further streamlined by presenting certain details and statistics as annexes. With regard to actuarial matters (paras. 3 and 4), the Advisory Committee agreed with the Committee of Actuaries that the current contribution rate of 23.7 per cent should be retained. Investment issues were discussed in paragraphs 5 to 9 of the report. The Advisory Committee had emphasized that, in accordance with a policy that had been advocated repeatedly by the Committee, the Pension Board and the General Assembly, all investments of the Fund must meet the criteria of safety, profitability, liquidity and convertibility.

17. The Advisory Committee had written to the Secretary-General to convey its concurrence with his plans for the appointment and reappointment of members of the Investments Committee and had encouraged him to appoint individuals from various regions of the world who had extensive experience in the various asset classes of the Fund's portfolio.

18. Part V of the report contained the Advisory Committee's comments and observations on the financial statements of the Fund and the report of the Board of Auditors. It stressed the need to comply fully and in a timely manner with the recommendations of the Board of Auditors, as approved by the General Assembly. With regard to the proposed establishment of an audit committee, it took the view that, if the Pension Board recommended the establishment of such a committee, it should be composed of members with relevant experience in internal audit in other United Nations entities and other pension plans.

19. In part VI of its report, the Advisory Committee described and recorded its agreement with a number of technical proposals and recommendations of the Pension Board concerning benefit provisions. In part VII, it expressed its agreement with the recommendation of the Pension Board concerning the revised administrative costs for the biennium 2004-2005. However, it had taken note of the upward trend in the administrative expenditures of the Fund and intended to revert to that matter when it examined the administrative budget proposal of the Fund for the biennium 2006-2007. Part VIII of the report addressed a number of other matters, including the revised and proposed new transfer agreements, approval of the admission of the Inter-Parliamentary Union and the issue of the size and composition of the Standing Committee.

20. **Mr. Repasch** (United States of America) noted with great satisfaction that the Fund's market value had reached an all-time high of $27.1 billion in the first quarter of 2004 and that its annual return for the year ending 30 March 2004 had outperformed the established benchmark. Furthermore, the Secretariat had begun to deal with the problems that had been hampering the work of the Investment Management Service and, in that connection, the findings and recommendations of both the Board of Auditors and OIOS should be addressed expeditiously so that all stakeholders in the Pension Fund would have greater confidence in the management of its investments.

21. Although the actuarial valuation of the Fund had shown a surplus, the level of that surplus had declined. It was therefore not an appropriate time to consider benefit enhancements or any other proposals that would sap the Fund's resources. His delegation supported the view of the Committee of Actuaries that it would be prudent to maintain most of the surplus to ensure the long-term success of the Fund and, in that regard, recalled that the General Assembly, in its resolution 53/210, had made it clear that there should be no change in any feature of the Fund unless and until a pattern of surpluses emerged. The recommendation contained in paragraph 182 of the Board's report, relating to the amendment of the Pension Adjustment System, was

unwarranted, since the Pension Fund should not and could not provide protection against currency devaluations and other risks to those who opted to leave the dollar track.

22. With regard to benefit provisions, in view of the latest actuarial valuation, the Board had decided to recommend the elimination of only a portion of the reduction in the first CPI adjustments. While that recommendation would reduce the actuarial surplus and was not entirely consistent with the decision of the General Assembly contained in its resolution 57/286, his delegation nevertheless supported it as a prudent measure that reflected good faith among the parties.

23. His delegation welcomed the new spirit of professionalism and cooperation that characterized the relationship between the Fund and the new team from OIOS, which had led to the preparation and approval of an internal audit charter. The risk assessment exercise planned by OIOS would also serve the Fund well. His delegation supported the Pension Board's position regarding the audit recommendations made by the Board of Auditors. In particular, the establishment of an audit committee would represent a major advance in the area of good governance, and more specific information on its composition and functioning was therefore required. His delegation supported the views of ACABQ that the audit committee must be composed of individuals with appropriate expertise.

24. Lastly, the size and composition of the Board should be considered on the basis of broader principles of efficiency and good governance rather than the desire to increase the number of members and alternates. The tripartite structure of the Board should also be maintained.

25. **Mr. Wins** (Uruguay), referring specifically to the two-track system of adjustment of pensions after award, said that retirees from some countries, particularly those from Latin America, had suffered substantial losses due to the steep depreciation of the local currency because the current system did not include offsetting adjustments for inflation. After having made contributions in dollars for many years, some retirees were receiving pensions amounting to as little as $150 and were experiencing serious financial difficulties. His delegation therefore supported the recommendation contained in paragraph 182, which would go some way towards correcting the serious imbalances in the pension system.

26. **Mr. Hackett** (Barbados) concurred that efficiency and good governance should be the primary criteria in determining the size and composition of the Pension Board. Steps should be taken to formalize the participation of retirees on the Board, alongside the three constituencies already represented. In that connection, he expressed regret that the General Assembly had not approved the Board's recommendation that its membership should be expanded. He trusted that, when the issue was next taken up, due consideration would be given to the recent increase in the number of retirees.

27. **Mr. Tal** (Jordan) expressed regret that the reports under consideration had only been made available the previous day and that the six-week rule on the timely issuance of documentation had not been respected. Given the importance of the item, delegations should have been given more time to study the reports and consult with their capitals. The failure to issue the documentation in good time could adversely affect the quality of the debate and of the resolution eventually adopted. The Committee should reflect further on the matter in the context of the efforts to revitalize the work of the General Assembly.

28. **Ms. Taylor Roberts** (Jamaica) noted with satisfaction that direct and indirect investments in developing countries had increased by more than $600 million during the previous biennium. However, there remained room for improvement. While her delegation was mindful that investments must be secure, it wished to encourage a more proactive approach to finding investment possibilities in developing countries.

29. **Ms. Udo** (Nigeria) said that she shared the concerns expressed by the representative of Jordan about the late issuance of documentation. She had not had sufficient time to consult with her capital and was therefore unable to make a detailed statement on the item. However, she wished to emphasize that, while the increase in direct and indirect investment in developing countries was welcome, such investments still represented only a fraction of the total. She failed to understand why there had not been more progress in that area, as there were many countries in Africa, including Nigeria, where investments could be made.

30. **Mr. Busca** (Chairman of the United Nations Joint Staff Pension Board) said that the impact of the Board's recommendation for an adjustable minimum guarantee for benefits payable on the two-track system

of adjustment would be very limited. The purpose of the measure was to take account of steep depreciations in the value of local currencies against the United States dollar. The recommendation was supported by the Committee of Actuaries. As to the issue raised by the representative of Barbados, efforts were being made to ensure effective representation of retirees on the Board.

31. **The Chairman** said that he was aware of the difficulties delegations faced owing to the late issuance of documentation. He was continuing to work with the Secretariat to address the problem and would report to the Committee subsequently on measures that could be taken to improve the situation.

Agenda item 114: Human resources management (*continued*) (A/59/65 and Add.1, A/59/152, A/59/211, A/59/213 and Add.1, A/59/217, A/59/222, A/59/253, A/59/263 and Add.1-2, A/59/264, A/59/291, A/59/299, A/59/357, A/59/388 and A/59/446; A/C.5/59/4)

32. **The Chairman** informed the Committee that three international staff members had been abducted from a United Nations vehicle in Kabul. On behalf of the Committee, he expressed sympathy for and solidarity with the staff members and their families.

33. **Mr. Tal** (Jordan) said that his delegation attached great importance to the item. However, owing to the late issuance of the relevant reports, it would have to limit itself to a few preliminary remarks. Concerning the efforts made to improve equitable geographical representation in the Secretariat, he stressed that the composition of the staff still did not reflect the Organization's international character. In order to address that problem, the Secretariat must comply with the provisions of Article 101 of the Charter of the United Nations and the relevant resolutions of the General Assembly. In addition, the number of posts subject to geographical distribution must be increased. He noted with concern that, between 2000 and 2004, there had actually been a reduction in the percentage of staff from developing countries in posts at the D-1 and D-2 grades and at the grade of Assistant Secretary-General and above, accompanied by a significant increase in the number of overrepresented countries. The Secretariat must reflect on the reasons for those regrettable trends and take steps to correct them. Clearly, the system of desirable ranges was not working and needed to be reviewed.

34. In the light of the high vacancy rates in some departments, the Secretariat should further reduce the time needed to fill vacancies, currently 174 days, including by cutting the time spent evaluating applicant data. However, his delegation could not endorse the Secretary-General's proposal to reduce the number of days for advertising vacancies from 60 to 45 days, which would adversely affect candidates from developing countries.

35. While his delegation supported the Secretariat's efforts to simplify and consolidate contractual arrangements, it was imperative to ensure that staff members' rights, including to career development and retirement benefits, were not infringed. He noted with concern that, under the proposed arrangements, continuing appointments could be terminated in the interest of the Organization; that was at odds with the Secretariat's claim that it sought to provide job security for all staff.

36. While his delegation welcomed the new information provided concerning the proposed conversion of staff in field missions from the 300 series of the Staff Rules to the 100 series, which the Committee had considered in May, it continued to have reservations about the financial implications of the proposal and its potentially adverse effects on the competitive nature of the recruitment process. Enhanced strategic planning by the Office of Human Resources Management would avoid the need for further wholesale conversions. As to the broader issue of contractual arrangements for field mission staff, his delegation viewed positively the second option suggested in the related report of ACABQ (A/59/446).

37. **Mr. Zhang** Yishan (China) expressed support for the reform of human resources management and welcomed the progress made thus far, including the introduction of a new staff selection system, the streamlining of human resources rules and procedures, the implementation of mandatory managed reassignment for junior Professional staff and the expanded application of the new performance appraisal system (PAS). Notwithstanding those achievements, the overall impact of the reform still fell short of expectations, and new problems had emerged that needed to be resolved. He therefore trusted that the Secretariat would enhance its efforts to implement the relevant resolutions of the General Assembly and would adopt further measures with a view to taking human resources management reform to a new stage.

38. While the Office of Human Resources Management had made welcome improvements to its human resources action plans with a view to ensuring equitable geographical representation of Member States in the Secretariat, many developing countries remained underrepresented, and there had been a steady decline in the number of their nationals at the senior and policy-making levels. The problem was particularly acute in the case of China, which was not represented at all in some departments, while in others its nationals were concentrated in low-level posts. In that connection, his delegation wished to reiterate its call for the full implementation of the relevant provisions of General Assembly resolution 57/305.

39. Improving the age structure of the Secretariat should be a priority of the Office of Human Resources Management, which should submit to the Assembly at its next session concrete plans for the realization of that goal. While his delegation understood the career aspirations of General Service staff, it noted with concern that only about 25 per cent of the candidates successful in the 2003 national competitive examinations had been recruited. A further reduction in the already limited number of posts available at the junior Professional level could result in the loss of that young talent.

40. Contractual arrangements should be flexible, balanced and performance-oriented. His delegation supported the gradual limitation of the number of permanent appointments, the expansion of the scope of fixed-term appointments and more stringent conditions for continuing appointments. The Secretary-General's proposal to grant continuing appointments to staff on completion of five years' continuous service on fixed-term appointments and following a one-time review was too generous. In fact, there was little difference between the proposed new contractual arrangement and the existing permanent appointment. The Secretariat should revisit the issue, in close cooperation with ICSC.

41. The recent upsurge in peacekeeping activities had been accompanied by a corresponding increase in the demand for civilian staff. Currently, vacancy rates were high and recruitment cycles long. Moreover, the recruitment process lacked transparency and fairness and failed to meet the goal of equitable geographical distribution. In order to address those problems, the Office of Human Resources Management should enhance monitoring of recruitment by the Department of Peacekeeping Operations, while that Department should make greater use of the Galaxy system. His delegation would also welcome closer coordination between the Secretariat and Member States in the development of a civilian staff standby capacity.

42. **Mr. Shobokshi** (Saudi Arabia) said that the late issuance of documentation had become a chronic problem. Regrettably, the reports before the Committee had not been issued in sufficient time for delegations to give them due consideration.

43. The enhancement of human resources management was a priority for the Organization. Programme managers should have clear job descriptions and effective systems of accountability should be established to ensure the proper exercise of delegated authority. For its part, the Office of Human Resources Management must take steps to increase the representation in the Secretariat of underrepresented and unrepresented Member States. His delegation would support the setting aside of 10 per cent of posts for nationals of such States. Recruitment policies must be based on the principle of equitable geographical distribution, and nationals of developing countries must occupy a greater proportion of posts at the senior and policy-making levels. His delegation trusted that the number of posts occupied by Saudi Arabian nationals would be increased in line with Saudi Arabia's share in the programme budget.

44. He expressed support for the Secretary-General's efforts to establish a diverse and multi-skilled international civil service capable of implementing complex mandates. He also welcomed the reforms undertaken in such areas as human resources planning; policies and procedures; appointment, placement and promotion; mobility; contractual arrangements; and competencies and continuous learning. The career development programmes for managers described in the report of the Secretary-General on measures to prevent discrimination on the basis of nationality, race, gender, religion or language in the United Nations (A/59/211) were most commendable. The reduction in the time taken to fill vacancies to an average of 174 days was a step in the right direction. Ultimately, that period should not exceed 120 days. In that connection, he called on the Secretariat to implement the recommendation of the Joint Inspection Unit (JIU) that information should be provided in the Arabic language on vacancies at the United Nations Economic and Social Commission for Western Asia (ESCWA).

45. His delegation noted with concern the conclusions of OIOS (A/59/152) that, although additional resources had been provided to the Office of Human Resources Management for monitoring the delegated recruitment authority exercised by the Department of Peacekeeping Operations, the Office's monitoring of field recruitment was weak. It further noted that the Galaxy system had not allowed for continuous monitoring of recruitment actions taken by the Personnel Management and Support Service because it had not been used for processing the recruitment of international civilian staff for field missions. It was regrettable that a number of mission Field Service staff had been converted to the Professional category in contravention of existing restrictions on movement into that category. The Department of Peacekeeping Operations needed to develop a global staffing strategy for field missions. Considerable work remained to be done in human resources planning, streamlining the recruitment process, screening applications for inclusion in the roster, expanding the sources of recruitment and delegating authority to field missions.

46. His delegation welcomed the proposal to appoint an Office of Human Resources Management focal point at the P-5 level to improve the recruitment of candidates from unrepresented and underrepresented Member States above the P-4 level, but wished to see the effort extended to the P-2 and P-3 levels. Underrepresented Member States must have priority. The steps which the Secretary-General had reported on, in accordance with paragraph 51 of General Assembly resolution 58/270, were positive. Heads of administration and offices must consider and follow up human resources plans and must be accountable for equitable geographical representation.

47. A mechanism must be found to handle objectively and rapidly the large number of applications for posts received through the Galaxy system so that the Organization could benefit fully from the applicants' abilities and talents. His delegation urged the Secretariat to avoid using outside consultants where in-house alternatives were available, and to give priority to specific skills for which there was demand, such as knowledge of peacekeeping or investment.

48. The Organization must not just attract staff with the best skills, it must also retain them. The success of reform in human resources management must be measured in those terms. Full use must be made of information technology in staff recruitment, training and evaluation in order to save resources and improve performance. The mobility policy, meanwhile, would help the Organization to fulfil the functions required of it.

49. **Ms. Aguinaldo** (Philippines) said that the Organization's most important asset was its staff and, in view of the many challenges which it continued to face, it must have sound policies to increase their efficiency and effectiveness. Her delegation concurred with the Advisory Committee that placement should be based on merit and carried out expeditiously. It welcomed the priority given to career development, especially the use of mentors, which would help build a better institutional memory and give staff specific skills.

50. While the gender balance in the Organization had been improved, progress in increasing the representation of women from developing countries in senior posts had been slow and deserved greater effort. Greater attention must also be paid to the concerns and career aspirations of the large number of women in the General Service and related categories. Her delegation supported the proposal contained in the report of the Secretary-General on human resources management reform (A/59/263) to increase the percentage of P-2 posts available for successful candidates in the examination for promotion from the General Service to the Professional category, as it would boost the motivation of staff to improve their skills. It also supported the proposal to reduce the time for advertising vacancies from 60 to 45 days, on condition that candidates with limited access to information technology were not unduly disadvantaged.

51. **Mr. Nguyen Dinh Hai** (Viet Nam) said that the reform of human resources management, which had been in progress for six years, aimed to make the Organization more productive, flexible and result-oriented in order to better serve Member States. The reform was an ongoing process which should lead to a comprehensive and fair system of recruitment, placement and promotion; more equitable geographical distribution and gender balance among the staff; appropriate conditions and quality of service for the staff; a transparent system of delegation of authority; a proper system of responsibility and accountability; and an effective system of administration of justice.

52. His delegation shared the views expressed by the Advisory Committee (A/59/446) regarding reporting on progress, monitoring, accountability and responsibility,

advertising and filling of vacancies and rejuvenation of staff. While it welcomed the progress made in improving gender balance, mobility and geographical distribution, efforts in those fields must continue. The report of the Secretary-General on human resources management reform (A/59/263) had established concrete steps to be taken in all areas of human resources management. His delegation hoped that those activities would be carried out on the basis of the recommendations of OIOS and the Advisory Committee and would produce concrete results.

53. **Mr. Kovalenko** (Russian Federation) said that his delegation attached great importance to achieving the best possible performance from the Secretariat staff based on their effectiveness and flexibility and on the best human resources management practices. The roles of the Secretariat and the General Assembly in the reform of human resources management must be clearly defined. Unfortunately, the Secretariat had increasingly tended to exceed its powers in that regard, encroaching on the prerogatives of Member States when interpreting the basic documents of the Organization, including the Staff Regulations and Rules. Examples were the use of 100 and 300 series appointments, and the establishment of the Senior Management Service, which the Assembly had begun discussing at its fifty-seventh session.

54. The proposal to move mainly to continuing contracts, which amounted to quasi-permanent contracts, ran counter to the trend in national civil services and in the private sector, with whose salary levels the Secretariat was seeking to compete. His delegation believed that up-to-date contract arrangements must provide the greatest possible flexibility in managing human resources and could not see the advantage of continuing contracts over fixed-term contracts. Nor could it see the point of giving staff with probationary or fixed-term appointments a claim to permanent contracts.

55. Despite the Committee's requests in the spring of 2004, the Secretariat had offered no creative alternatives to the use of 100 series appointments for field service posts. The Secretariat should examine arrangements for such posts carefully, taking into account the observations of the Advisory Committee in that regard. It also agreed with the Advisory Committee that the key aspects of the mobility policy must be determined by the General Assembly. Mobility could not be made compulsory for all staff, as that would carry unpredictable financial consequences and might make the Organization less effective. Those risks were especially great if the mobility policy was extended to General Service staff, who would automatically become international staff when they moved to another duty station, even though such a change of status clashed with the characteristics and conditions of salary and service of that category. On the other hand, mobility among senior staff at the D-1 and D-2 levels must be more actively encouraged, to retain and disseminate the Organization's institutional memory, experience and know-how.

56. The General Assembly should consider increasing the number of posts subject to geographical distribution by including peacekeeping and all extrabudgetary posts, as was already the case in a number of international organizations. For its part, the Secretariat should provide figures to show the impact that such an increase would have. His delegation disagreed fundamentally with the conclusions regarding Text-Processing Units contained in the report of OIOS on the availability in local labour markets of the skills for which international recruitment for the General Service category takes place (A/59/388) and could not understand why the report had disregarded the numerous other technical staff entitled to international benefits. In its view, any recruitment and outreach campaigns in countries in which a particular language was not spoken and which lacked the necessary specialist training establishments would be a waste of valuable time and resources and would further reduce the quality of the output of the language services. Cost savings must not be used to justify violating the Organization's fundamental principles, which included multilingualism. His delegation was also opposed to the recruitment of staff whose actual place of residence was thousands of kilometres from their place of employment as if they had been local staff. It called on OIOS to take account of that phenomenon, which substantially misrepresented the availability on the local labour market of specialist staff in particular disciplines.

57. **Mr. Gansukh** (Mongolia) said that his delegation supported the conclusions and recommendations on the reform of human resources management made by the Secretary-General, OIOS and the Advisory Committee.

58. More concerted efforts must be made to promote equitable geographical distribution in the Secretariat. Although the General Assembly had adopted several

resolutions on that subject, the situation had not improved, with 15 Member States unrepresented and many others underrepresented or, like Mongolia, below the midpoint of their desirable range. The Secretariat should extend preferential selection to candidates from unrepresented or underrepresented Member States.

59. His delegation welcomed the near doubling of the number of countries that had participated in the national competitive examinations programme over the previous three years. There was room for improvement, however, as many successful candidates were simply placed on waiting lists. It also welcomed the proposed efforts to improve recruitment of candidates from unrepresented or underrepresented Member States by providing a "fast track" to posts at the P-4 level or above and appointing an Office of Human Resources Management focal point at the P-5 level as well as national focal points.

60. **Mr. Garcia** (United States of America) said that while much had been accomplished in the effort to reform human resources management at the United Nations, further improvements were needed. His delegation concurred with the impression of the Advisory Committee that relations between staff and management had broken down over the issue of human resources management reform. Both parties must make a concerted effort to work together to achieve common goals. In the interests of proactive human resources management, managers must be aware of, and involved in, planning and executing their Human Resources action plans to properly identify their workforce needs, train and evaluate staff and provide effective career advancement and mobility.

61. His delegation strongly supported efforts to integrate recruitment, selection, broad geographic representation, gender parity and mobility into human resources planning and management. It noted that the time taken to fill a vacancy had fallen from 275 days in 1999 to 174 days currently and supported reducing the number of days a vacancy must be advertised from 60 to 45. The Office of Human Resources Management and individual managers must continue to work together to reduce recruitment time so that the United Nations quickly obtained the necessary staff and applicants benefited from a more speedy process.

62. The Galaxy selection system had revolutionized the way in which the United Nations recruited applicants and selected the best qualified candidates. Like OIOS and the Advisory Committee, his delegation encouraged the Secretary-General to promote and expand Galaxy's use in order to provide job seekers, staff members, central review bodies and managers with a transparent selection process that was beneficial to all.

63. The trend towards reduced numbers of unrepresented and underrepresented States had recently slowed and the number of overrepresented States had increased. Greater efforts should be made to address that issue, including making managers more accountable for achieving the Organization's hiring goals. His delegation supported the Secretary-General's proposal to establish national focal points in the Office of Human Resources Management and to create a special roster of candidates endorsed by the central review bodies. However, rather than circumventing the issuance of a vacancy announcement, such a roster should simply enable rostered candidates to be considered without having to submit a new application. The overriding criterion in the selection of candidates must be securing the highest standards of efficiency, competence and integrity, as stated in the Charter of the United Nations.

64. Although gender parity had been achieved in the junior Professional and General Service categories, it was still a problem at the most senior levels. Member States should support the Organization's efforts by identifying and encouraging more women to apply and by nominating more women candidates. The possibility of 1,689 vacancies within the next five years was a significant opportunity for progress towards parity, and managers must assume responsibility for fulfilling the goals set by the Organization in that regard.

65. His delegation supported the simplification of contractual appointments and looked forward to further discussion of the Secretariat's proposals for the three types of appointment. It would welcome the input of ICSC and noted that the Commission intended to report to the General Assembly at its sixtieth session on that important issue. It encouraged the Secretariat to continue its information, planning, and training and evaluation campaigns to ensure a smooth transition to the mandatory mobility policy, which was due to take effect in May 2007. Like the Advisory Committee, it expected indicators to be established and close monitoring to take place to ensure that the mobility system achieved the desired goals. It continued to be concerned about the Organization's practice of spending millions of dollars annually to hire consultants,

contractors and retired personnel rather than developing in-house resources to meet essential needs. The Secretariat must improve succession planning, especially since retirements were highly predictable in the Organization. His delegation agreed with the thrust of the OIOS report on the impact of the human resources management reform, particularly the conclusion that managers must be held more accountable for their human resources management actions.

66. While it understood the need for the Secretariat to consider all options for meeting essential resource needs, his delegation agreed with the Advisory Committee that the conversion of the contracts of large numbers of peacekeeping staff was unlikely to meet the short- and long-term needs of the Organization. It was also concerned that other entities in the common system had developed compensation packages that were inconsistent with the common system. However, it remained true that contractual arrangements for those staff who had reached or were close to the limits on United Nations employment under the 300 series of the Staff Rules must be immediately addressed.

67. **Mr. Abbas** (Pakistan) said that human resources management reforms were the key to improving the Organization's capacity to fulfil its diverse mandates effectively and efficiently. The current session of the Assembly provided a useful and timely opportunity to review progress in the implementation of the reform package that had been adopted nearly four years previously. The time had come to analyse what had been achieved, what had not worked and why and where refinements and improvements were needed. The Committee's task would have been greatly facilitated if the required documentation had been made available on time.

68. While the Galaxy e-staffing system was an important management tool, its effect on improving the recruitment of competent staff must be evaluated. Even though it seemed to have increased access to employment opportunities, it was difficult to see how the large numbers of applications it had generated could be processed while still fulfilling the requirement for merit and transparency. Moreover, despite the considerable investment in Galaxy, there had been no corresponding decrease in the time it took to fill vacancies, both at Headquarters and in peacekeeping missions. Efforts should continue to expedite the recruitment process and to ensure that candidates were not selected on the basis of opaque or non-professional considerations.

69. His delegation welcomed the increase in the representation of underrepresented Member States and the decrease in the number of unrepresented Member States from 28 in 1994 to 15 in 2004. However, equitable geographical distribution was restricted to a limited number of Secretariat staff. It hoped that the new staff selection system would facilitate better representation of developing countries and increase the recruitment of women from developing countries to the Professional and higher categories.

70. Contractual arrangements affected a large number of employees and must be made more equitable. His delegation had noted the proposals of the Secretary-General in that regard, but required more information on their implications. It agreed with the Advisory Committee that the report of the Secretary-General on human resources management reform (A/59/263 and Add.1 and 2) did not contain enough information on the steps taken to ensure responsibility and accountability, despite the clear request of the General Assembly in its resolution 57/305. With enhanced delegation of authority to programme managers, there must be strict and effective accountability mechanisms to prevent abuse of delegated powers.

71. His delegation recalled that the Secretary-General had proposed to create a versatile, multi-skilled and experienced international civil service, to match the requirements of an increasingly field-oriented Organization and agreed that the premise underlying his recommendations on mobility was that staff did not own their jobs and managers did not own their staff. That policy should strictly follow the criteria set out in General Assembly resolution 57/305 to meet the diverse needs of the Secretariat and advance reform and change in the work culture of the Organization.

72. **Mr. Demessinov** (Kazakhstan) said that his delegation attached great importance to the human resources management reform and welcomed the progress made so far, particularly the support given to the new recruitment system. However, there was need for a more comprehensive approach to the analysis of the results to take into account the views of all parties to the process, in particular those of the staff representatives. The deterioration in staff/management relations as a result of disagreements over the reform was regrettable and the dialogue must be resumed

without calling into question the conceptual basis of the reform. The conclusions of the Advisory Committee, on recruitment in particular, and the technical problems with the management of the Galaxy system gave cause for concern. His delegation agreed with the Advisory Committee that the criteria for the electronic screening of applications must be made clear to all. The Secretary-General's proposal on the rationalization of the process merited support.

73. The question of promotion from the General Service to the Professional category was a vital one for Kazakhstan, an underrepresented State, which was concerned about the impact of such promotions on levels of geographic representation. Table 2 of the Secretary-General's report (A/59/263) showed that they would double the number of overrepresented States.

74. Human resources management reform entailed close collaboration between all parties, which must be based on an understanding of the importance of strategic changes for the institutional effectiveness of the Organization and on an open dialogue.

75. **Mr. Terzi** (Turkey) said that human resources management was a key issue which had a direct impact on the Organization's success. His delegation therefore welcomed the progress made so far with the reform, although much more remained to be done. It agreed with the Advisory Committee that such a broad-based reform must be accompanied by close cooperation between staff and management and that a more energetic and enthusiastic effort was required, notwithstanding the risk of reform fatigue. While, the reforms would enhance accountability and transparency across the Organization and make it more robust and effective, there would be adverse side effects for the staff, which might be offset by improving their living and working conditions.

76. Rejuvenation of the staff would help to create a flexible workforce and speed up the reform process. To that end, it was necessary to create a working environment that would attract staff of the highest calibre and enhance their involvement in and dedications to the Organization. However, the "one size fits all" approach was not appropriate. Disparity in conditions of service for staff in the field raised serious concerns about equity and morale and must be addressed in a balanced manner.

77. It was regrettable that after more than 50 years the United Nations still had underrepresented and unrepresented Member States and still lacked a multicultural structure. Every effort should be made to secure equitable geographical distribution and to attain the goal of equal gender distribution at all levels.

78. **Mr. Davis** (Bahamas) said that his delegation was particularly concerned about the high vacancy rates, particularly in United Nations offices in developing countries. It was therefore glad to note from paragraph 181 of his report that the Secretary-General attached high priority to reducing further the vacancy rates at the regional commissions, including the Economic Commission for Latin America and the Caribbean (ECLAC). However, it was troubling that the post of Director of the subregional headquarters of ECLAC for the Caribbean had been vacant for over a year. An update on the Secretariat's efforts to fill the post would be welcome. The Bahamas endorsed the recommendations made in the reports of the Secretary-General and would have supported much bolder proposals.

79. **Mr. Yamamoto** (Japan) said that human resources management was of paramount importance to the Organization and the Office of Human Resources Management should continue its laudable reform efforts and consider further changes where necessary.

80. The best way to improve equitable geographical representation was to find good candidates from unrepresented and underrepresented States. The Secretary-General's proposed "fast-track" approach to recruitment was welcome, but cooperation with unrepresented and underrepresented States was also essential. In that regard, the proposed national focal points would enhance cooperation, especially if individual departments were involved in the strategy. In resolution 57/305 the General Assembly had in fact requested the Secretary-General to provide information not only on the development of programmes but also on setting specific targets. Targets were a necessary means of encouraging everyone to work towards the achievement of equitable geographical representation.

81. The Secretary-General's proposed increase in the percentage of P-2 posts available for successful candidates in the examinations for promotion from the General Service to Professional category would reduce the number of posts available to successful candidates in the national competitive examinations, which were one of the few measures to have improved geographical distribution. While his delegation was

aware of the frustration felt by General Service staff, the real problem lay in the limited number of posts available overall for successful candidates. The imbalance in the post structure should be corrected by increasing the number of P-2 posts rather than by increasing the competition between the two types of examination.

82. With regard to contractual arrangements, ICSC was to submit a final report on the issue to the General Assembly at its sixtieth session. Consideration of the issue should therefore be deferred until then.

83. With regard to the use of 300 and 100 series appointments in the staffing of field missions, it was regrettable that the Secretary-General had considered only existing mechanisms. Staff contracts should be adapted to the new situation in such missions, and a new mechanism was needed for that purpose. ICSC had considered the application of 300 series appointments to mission staff and the differences in conditions of service between agencies, funds and programmes. The question should be considered further in the context of the common system.

84. Staff mobility was an important element of human resources management. The advantages of keeping a staff member in one post were offset by a loss of organizational flexibility and a negative impact on the development of a versatile staff. His delegation would welcome information on the situation with regard to the redeployment of up to 50 posts requested by the General Assembly in resolution 58/270. It was regrettable that, notwithstanding the request made by the General Assembly in resolution 57/305, the Secretary-General had not fully addressed the issue of underrepresentation. The General Assembly had clearly called for an analysis of the difference between the number of nationals and the lower limit of the desirable range of each underrepresented State. The provision of figures merely on the numbers of unrepresented and underrepresented States did not meet the request. Such an analysis should be based on the discussion of the question in the General Assembly and would help to measure the achievements of the Office of Human Resources Management under the results-based budgeting system. Clarification of the issue by the Secretariat would be welcome.

85. **Mr. Elji** (Syrian Arab Republic) said that his delegation welcomed the Secretary-General's proposals on human resources management reform and his emphasis on the need for the Organization to have personnel capable of meeting the new challenges. Staff members were the Organization's most valuable asset and they must have a role in the reform process. His delegation had noted the comments of the staff representatives on the lack of a constructive dialogue with the management and their assertion that the reform had become an end in itself. It endorsed the Advisory Committee's remarks on that point. The Office of Human Resources Management had to be the locomotive of the implementation of a policy of change and development but it had not yet assumed that crucial role.

86. Selection and appointment procedures provided the main guarantee of the independence of the international civil service, but the recruitment system still did not offer sufficient transparency or accountability. The central review bodies had played a very limited role, and the withdrawal of the staff representatives from them cast doubt on their legal status.

87. Mobility was a two-edged sword: it could enhance the staff's experience but it might also become a tool of their arbitrary and discriminatory treatment. The mobility criteria were not clear, and the Committee had not been given details of the financial implications of the proposals and the possible family problems which they might cause. Language staff should certainly be excluded from any mandatory policy on mobility.

88. His delegation noted the career development activities which had been undertaken, in particular the effort to improve the staff's language capabilities. Such activities should be extended to other United Nations offices, and language courses should be provided for diplomats and their families at reasonable cost.

89. Contractual arrangements must take account of the need to ensure the independence and job security of staff members. Permanent contracts provided a reasonable guarantee in that regard.

90. The Organization was still far from achieving equitable geographical distribution. National competitive examinations were the best means of recruitment and it was regrettable that language posts were not subject to equitable geographical distribution and filled through the national competitive examinations. The information circular on the 2004 national competitive examination for Associate Radio Producers (ST/IC/2004/21) provided a good example

of a practice which the Secretariat should correct. It was also regrettable that no Syrian nationals had been appointed since 2000 and that there had been no Syrians at the Director and higher levels for several years. The Secretariat might also clarify the procedures referred to in the Secretary-General's report on measures to prevent discrimination on the basis of nationality, race, gender, religion or language (A/59/211). It was regrettable that OIOS had not corrected its mistake of submitting reports in which countries were listed according to geographical groups based on political considerations instead of in alphabetical order.

91. While it was acceptable for retirees to be recruited as temporary assistance in the language services, the excessive recruitment in advisory or consultative capacities of staff members who had retired from the higher levels of the Secretariat clearly contravened General Assembly resolutions. Furthermore, 56 per cent of the expenditure on the recruitment of retirees related to persons from developed countries, which accounted for only 20 per cent of the Organization's membership.

92. Many aspects of the item required further follow-up. His delegation looked forward in particular to the continuation of the debate in the context of the item on the administration of justice.

The meeting rose at 6.05 p.m.

United Nations A/C.5/59/SR.17

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Chairman: **Mr. MacKay** .... **(New Zealand)**
***Chairman of the Advisory Committee on Administrative and Budgetary Questions*: Mr. Kuznetsov**

Contents

Agenda item 114: Human resources management (*continued*)

Agenda item 117: United Nations pension system (*continued*)

Agenda item 116: United Nations common system (*continued*)

Organization of work

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04-57942 (E)

The meeting was called to order at 10.10 a.m.

Agenda item 114: Human resources management (*continued*) (A/58/283, A/58/666 and A/58/704; A/59/65 and Add.1, A/59/152, A/59/211, A/59/213 and Add.1, A/59/217, A/59/222, A/59/253, A/59/263 and Add.1 and 2, A/59/264, A/59/291, A/59/299, A/59/357, A/59/388 and A/59/446; A/C.5/58/L.13; A/C.5/59/4)

1. **Mr. Simancas** (Mexico) shared the views expressed by the representative of Qatar on behalf of the Group of 77 and China in particular with regard to the conversion of 300 series contracts to 100 series contracts, as well as the views of the delegations of Australia, Canada and New Zealand concerning the promotion of women and young people in the Secretariat. He would study closely the proposals made by the representative of Japan with regard to P-2 level Professional posts. He stressed that recruitment must be carried out in an efficient, transparent and rapid manner and that the principle of equitable geographical distribution must be respected. As for the idea of shortening application deadlines in order to accelerate recruitment, he was of the opinion that it was not the length of the deadline but rather the selection process which posed a problem. Finally, if the number of P-2 posts reserved for successful candidates from the G to P examination was increased, as suggested, it would be preferable to give priority to candidates from countries which were underrepresented.

2. **The Chairman**, recalling General Assembly resolution 35/213 and the decision taken by the Committee at its 13th meeting, invited the President of the United Nations Staff Union to make a statement.

3. **Ms. Waters** (President of the United Nations Staff Union) said that the reform measures undertaken over the past six years had had a profound and sometimes deleterious effect on the staff of the Organization. As the Under-Secretary-General for Management had pointed out to the Fifth Committee, the International Civil Service Commission (ICSC) could not reform itself; however, the United Nations management had been introducing reforms which increased managerial authority while diminishing accountability. The Staff Union had the greatest respect for the Secretary-General's vision for the Organization and had supported the goals of his reform programme. It could not, however, support the erosion of staff rights and the dissolution of oversight mechanisms as a means to implement that programme and could not continue legitimizing actions in which the staff, through their elected representatives, had no meaningful role to play.

4. A recent survey by an independent consultant commissioned by the Office of Internal Oversight Services (OIOS) on perceptions about integrity had revealed that the staff believed that not enough action was taken to investigate instances of unethical behaviour, that they feared reprisals if they exposed breaches of ethics and that they believed that the disciplinary process was applied unevenly. Their view of the integrity of senior managers was less than positive. Staff representatives had not been consulted on that matter and had not been asked to be involved in the extensive follow-up actions established by the Secretary-General.

5. The Secretary-General wished to ensure that the United Nations led by example and met the Global Compact standards. Far from being an example of corporate citizenship, the Organization failed to adhere to one of the fundamental principles of the Compact: upholding freedom of association and the effective recognition of the right to collective bargaining. Continued advocacy of ideals which the Organization did not practice would cause confusion among staff and embarrassment for the Organization.

6. The staff-management consultative process at the highest level had been suspended since April 2003, when all staff unions and associations of the Secretariat had withdrawn from participation in the Staff-Management Coordination Committee (SMCC). Shortly thereafter, in an unprecedented move, management had formally rescinded the release granted to officers of the Staff Committee in New York. That constituted direct interference in the internal affairs of a sovereign staff representative body as provided for under chapter VIII of the Staff Rules. Unfortunately, that had not been an isolated incident.

7. The absence of an independent internal judicial system placed the staff in a situation where their right to fair and impartial adjudication was compromised. The Staff Union would appreciate the opportunity to provide detailed comments on the subject when the agenda item on the administration of justice was being considered.

8. Staff representatives throughout the global Secretariat shared the view that there was a lack of

good faith in the consultative process. In resolution 57/307 on the administration of justice in the Secretariat, the General Assembly had requested the Secretary-General, in consultation with the Ombudsman and staff representatives to submit detailed proposals on the role and work of the Panel on Discrimination and Other Grievances. Management had, however, made no attempt to consult with the staff on that issue even after the staff representatives had submitted a proposal on their own initiative.

9. Too frequently, agreements reached at the Staff Management Coordination Committee (SMCC) were not implemented, only partially implemented, or delayed for years. In that regard, the Staff Union fully concurred with the opinion expressed by the Advisory Committee for Administrative and Budgetary Questions (ACABQ) in paragraph 10 of its report on human resources management (A/59/446). The Staff Union thanked ACABQ for allowing it to present its views on that important issue.

10. The staff representatives in New York had withdrawn from participation in the central review bodies in April 2003 because they believed there was no meaningful role for those bodies; they reviewed procedural matters only and basically endorsed the decisions of programme managers, thus serving only to legitimize the staff selection process. The staff representatives believed that the General Assembly, in its resolution 55/258, section VI (a), had envisaged that a substantive review of candidates' qualifications would take place. The current selection system lacked transparency, violated the due process rights of staff (since there was no appeal process) and lacked the requisite checks and balances to ensure safeguards and fairness. The staff representatives requested that the Fifth Committee should consider providing a clear interpretation of the General Assembly's decision in resolution 55/258, in particular whether a substantive review on the merits of the applicants was anticipated.

11. The Organization had yet to establish concrete measures for individual accountability. It was essential that areas with expanded delegation of authority for personnel decisions, such as the Department of Peacekeeping Operations and the Office of Internal Oversight Services (OIOS), should be carefully examined and, if abuses were found, that authority should be revoked. The staff representatives fully supported the position on accountability expressed by the Advisory Committee in its report. The Office of Human Resources Management had informed the Staff Union that it was unable to enforce accountability because it lacked central authority. The Fifth Committee might wish to recommend that concrete individual accountability measures should be developed on a priority basis, in consultation with staff representatives.

12. The introduction of continuing appointments would improve the situation of staff currently on fixed-term appointments. However, such a measure should be included in the Staff Rules and Regulations as an addition, not as a replacement for permanent appointments. Furthermore, unless the grounds for termination of continuing appointments were clearly defined, the staff would be vulnerable to abuse since their contracts could be terminated at any time in the interests of the Organization. That would create an atmosphere where the staff were loyal to an individual programme manager rather than to the Organization.

13. References in management documents to "staff" and "focus groups" did not mean consultation with staff representatives as mandated under chapter VIII of the Staff Regulations and Rules; town-hall meetings were also a means of circumventing those Rules. There had been no staff-management consultation on the OIOS report on the availability in local labour markets of the skills for which international recruitment for the General Service category took place (A/59/388). The working groups established to review that issue had all concluded that there were insufficient local candidates. The proposal, if adopted, would force candidates from other countries to travel to the United States, seek visas privately and reside there for the time of recruitment, all at their own expense. They would remain international workers, since they would not have permanent residency in the United States, but they would be forced to present themselves as locals to be hired. Regarding the OIOS report on the impact of the human resources management reform (A/59/253), staff representatives had been consulted at only two meetings and most of the time at the second meeting, every statement made by the staff representatives had been challenged. The Staff Union had sent a formal letter to the Under-Secretary-General for Internal Oversight Services requesting that OIOS should not portray those meetings as "consultation".

14. Detailed information on the views of the staff was available in the relevant report to the Fifth Committee (A/C.5/59/4). The Staff Union had been undergoing its

own reform over the past two years, professionalizing its work, utilizing external experts and trying to ensure that its legal framework was appropriate and its policies sound. Modern human resources management strove to build a strategic partnership between staff unions and management. The Staff Union had no desire to co-manage the Organization. It was aware of its limitations and fully respected the authority of the Secretary-General. However, the staff members it represented were the major stakeholders in matters that affected the conditions of service. Taking into consideration their views, based on actual work experience, before taking decisions, was not co-management but, rather, good management.

15. **Mr. Jonah** (Sierra Leone) recalled that he had directed a number of offices and departments within the Organization, and that he was personnel chief in 1978 when a series of reforms had been instituted. In that connection, he had helped to establish the Staff-Management Coordination Committee. He therefore noted with concern the erosion of the international civil service and the serious repercussions that had had, as evidenced especially by the lengthy study on the perception of integrity. Some of the reforms adopted had considerably weakened the Secretariat. It was enough to read newspapers in all parts of the world to be aware of what people thought about the United Nations and its staff. However unjust it might be, that impression was nevertheless simply the result of the steps that had been taken to weaken some provisions of the Staff Regulations and Staff Rules.

16. The Committee had come to see that the greatest resistance to reform came from programme directors. It was hard to believe that the international civil service could be strengthened by giving them more power. The staff representatives had correctly pointed out that the Office of Human Resources Management lacked authority, which jeopardized the application of the Staff Rules and fair management practices. The Committee would have to bear that in mind, recalling also that it was the steady weakening of its secretariat in particular that had caused the League of Nations to fail.

17. The international civil service depended essentially on its permanent staff. There was, of course, some dead wood, as in all administrations. Nevertheless, a decision to abandon the practice of granting permanent contracts had to be approached with the greatest caution, because the independence of international civil servants flowed directly from that practice. The Committee should not only hear the views of the staff, but also listen to them most attentively.

18. **Mr. Van Schalkwyk** (South Africa) noted, as had the representatives of the Group of African States and the Group of 77 and China, that staff-management relations did not seem to be on a very good footing. Yet it would not be possible to reform the management of human resources unless the staff was completely on the side of reform. In any case, the Organization ought to be able to count on well-trained and motivated personnel who were devoted to its objectives.

19. **Ms. McCreery** (Assistant Secretary-General for Human Resources Management) said that she had taken note with interest of the different views expressed by the Groups of States, by many delegations and by its partners in human resources management reform at the United Nations, namely, the staff as represented by the President of the Staff Union, the Office of Internal Oversight Services, which had prepared an important report on the impact of the human resources management reform (A/59/253), the Joint Inspection Unit and the Advisory Committee. In response to the remark by the Turkish delegation concerning the danger of weariness attendant upon a long process, she had no doubt that, given the determination of all parties, it would be possible to arrive at mutually satisfactory conclusions before reaching that stage.

Agenda item 117: United Nations pension system (*continued*) (A/59/9 and Add.1, A/59/447; A/C.5/59/11)

20. **Mr. Zellenrath** (Netherlands), speaking on behalf of the European Union, the candidate countries Bulgaria, Croatia, Romania and Turkey, the stabilization and association process countries Bosnia and Herzegovina, Serbia and Montenegro and the former Yugoslav Republic of Macedonia, as well as Iceland and Liechtenstein, said that the European Union attached great importance to the United Nations pension system and to the proper management and investment of the assets of the Pension Fund, amounting to $26.2 billion. It had noted with satisfaction the observations on the Fund's performance and the fact that the actuarial valuation of the Fund showed a positive result for the fourth time in succession. It also noted that the Fund was outperforming the benchmark and that its investments

in the developing countries had grown by 55 per cent. Nevertheless, the European Union urged it to be prudent in its investments and in the allocation of the surplus, owing to the fluctuations in currency markets and stock markets.

21. The European Union was pleased to note the improved cooperation between the Fund and the Office of Internal Oversight Services on the issue of internal audit arrangements, but was concerned that 11 of the 27 recommendations of the Board of Auditors in its report on the accounts of the United Nations Joint Staff Pension Fund for the biennium ended December 2001 (A/57/9, annex XII) had been only partially implemented, while nine of them had not been implemented at all. Although it was understandable that the Pension Board should refer the decision on the advisability of establishing an audit committee in 2005 to the Standing Committee so that the matter could be looked at carefully, the European Union expected to see the question resolved within two years. Like the Advisory Committee, the European Union was concerned at the upward trend in administrative expenditures.

22. **Mr. Kovalenko** (Russian Federation) said that, despite the asset appreciation, the actuarial valuation of the Pension Fund as at 31 December 2003 revealed less of a surplus than the time before, since it had decreased from 2.9 to 1.14 per cent of the pensionable remuneration. As the Pension Board had proposed, the General Assembly should not be asked to eliminate the economy measures adopted in the mid-1980s, and the only action should be, first, to put into effect some of the changes approved at its fifty-seventh session concerning the adjustment of pensions by the consumer price index, and also to modify the pension adjustment system so as to cope with any sharp devaluation of local currency in relation to the dollar. The Pension Board would have to monitor the results of the actuarial valuations closely and take them into account when recommending modification of the parameters of the pension system and the contribution rates.

23. The increase in the market value of the assets was a reflection as much of market trends as of appropriate decisions taken by the Investment Management Service. One of the advantages of the Pension Fund compared to other such funds was the broad diversification of its investments in terms of asset class, currency and region. It should continue to follow that policy by using the possibilities of the market to the utmost and meeting the criteria of safety, profitability, liquidity and convertibility set by the General Assembly in resolution 36/119 C.

24. The Russian Federation would continue to follow closely the deliberations on the size and composition of the Pension Board, given the need to guarantee its proper functioning. It was not opposed to applying original, constructive solutions to the question of modifying the distribution of seats among the three constituencies represented in the Pension Board and possibly increasing the representation of secretariat chiefs.

25. **Mr. Owade** (Kenya), noting with satisfaction that the size of the Fund had grown to a market value of over $27 billion, said that the 2006 session of the Board, to be held in Nairobi, would enable it to have a deeper appreciation of some of the unique challenges that participants from developing countries had to contend with. In the same vein, he urged the Fund and especially the Investments Committee to ensure that the Fund's investments were diversified in terms of geographical coverage while keeping to the guidelines of profitability, liquidity and convertibility, given that developing countries now offered tremendous opportunities and good returns on investments.

26. It was gratifying to note that the actuarial value of the Fund had continued to show a surplus, albeit on a declining trend. His delegation supported the caution expressed by the Board in paragraph 49 of its report (A/59/9) regarding any changes to the system, particularly in light of the volatile economic climate. He noted that the recommendation by the Committee of Actuaries to retain most of the surplus on the grounds of prudence had not been shared by the whole Board. The decision of the Board to restore a portion of the benefits was therefore one which his delegation could support as a confidence-building measure, considering the tripartite nature of the Board and the need to balance competing interests therein. He would like to remind the Board to bear in mind General Assembly resolution 53/210, in which the Assembly reiterated that no changes should be introduced until there was a clear upward trend of surplus in future valuations.

27. On the question of size and composition of the Board, he recalled that the Board had recommended that its membership should be increased from 33 to 36 without any corresponding increase in the number of

alternates. The General Assembly had not approved that recommendation but had requested the Board to study the matter further. Without prejudice to the conclusion of the Working Group charged with considering the matter further, his delegation was of the view that the tripartite nature of the Board must not be upset, that efficiency must not be sacrificed, and that any proposals that affected the membership of the Board and the number of members appointed by the General Assembly must not compromise the principle of geographical distribution.

Agenda item 116: United Nations common system (*continued*) (A/59/30 (vol. I and II), A/59/153, A/59/399, A/59/429 and A/59/522)

28. **Mr. Iossifov** (Russian Federation) noted that to date, only one of the four models envisaged in the pilot study on broadbanding and pay-for-performance had been tested. He was afraid that might undermine the work, particularly since the recommendation which the International Civil Service Commission (ICSC) would submit to the General Assembly on the question would need to be supported by tangible results proving that the proposed pay and benefits system would be more efficient than the one currently in force and that it would not entail additional expenditures for Member States. It was also important to ensure that the review of the benefits system would lead to recommendations that would improve and simplify allowances overall and, if possible, reduce their cost. His delegation supported the Commission's decision in principle to delink the mobility and hardship scheme from the base/floor salary scale.

29. He recalled that it was the prerogative of the General Assembly to decide whether to develop a Senior Management Service and that only the Commission had the authority to make recommendations on the subject. The United Nations System Chief Executives Board for Coordination (CEB) was not qualified to authorize, as it had in April 2004, the development of such a mechanism. None of the explanations given by the Secretariat, to the effect that the Senior Management Service would consist of a "network" similar to a professional association, held water. Before the Committee for Programme and Coordination (CPC) had reviewed the CEB decision at its July 2004 session, the Secretariat had referred to it only as a "training programme" and a "management tool". At the fifty-seventh session of the General Assembly, his delegation had warned the Fifth Committee of the harmful effect that the development of such a "club" within the United Nations might have on recruitment from outside the Organization and on the career prospects of staff members who did not belong to it. Since then, no specific information had been provided with regard to the composition of the Senior Management Service, the selection of its members or its powers. Being beyond the control of Member States, decisions concerning the development of the Service could have far-reaching effects on the human resources management policies of the organizations participating in the common system. His delegation hoped that the Committee would continue to consider the question, under the aegis of the Commission.

30. Recalling the need to apply strictly the Noblemaire principle, according to which the salaries of staff in the common system were determined by reference to those applicable in the civil service of the country with the highest pay levels, he said his delegation felt that it would not be helpful, at the current stage, to engage in comparisons with the private sector or use the conditions of employment of other international organizations as a reference point. His delegation wished to stress the central role of the Commission and of the General Assembly in decision-making relating to conditions of employment in the organizations participating in the common system. The management and staff of the organizations should, of course, be consulted, but it was up to the Member States to exercise strict control in that area. Finally, with regard to the report of the Panel on the Strengthening of the International Civil Service, he said that it seemed that the implementation of some of the recommendations, particularly those relating to the Commission's working methods, would have the effect of transforming ICSC into a tripartite Commission. That was not envisaged in the Commission's statute and had the potential to undermine the effectiveness of its work.

31. **Mr. Garcia** (United States of America), referring to the proposed broadbanding and pay-for-performance systems, said his delegation feared that work on the pilot study could be undermined if the performance appraisal system used by the participating organizations was unproven and was not acceptable to all parties. In the context of the pilot project, thought must be given to how grade equivalencies would be

compared and how the system would track career progression under broadbanding.

32. His delegation believed that, absent evidence of recruiting and retention problems within the United Nations, changes to the Noblemaire principle at the current stage were not needed. It supported the 2004-2006 allowances and benefits review schedule, which would determine the highest paid civil service, including a comparison between the United Nations and the United States federal civil service. His delegation also noted that ICSC would complete its grade equivalency review between the two civil services in 2005 and it looked forward to the report on the question, to be submitted in 2006.

33. Noting that the issue of contractual arrangements was currently on the agenda of the Commission, he urged the Commission to complete its review expeditiously so as to enable Member States to define their positions on the issue, which had become a crucial one in view of changing priorities, and so that they would have the necessary information to consider the proposal to be submitted by the Secretary-General to the General Assembly at its sixtieth session. His delegation welcomed the Commission's efforts to reconcile work and family life responsibilities, including the introduction of paternity leave benefits. Nevertheless, it believed that the Commission's recommendation exceeded the comparator standard and would be an excessive extended absence for a staff member. His delegation recommended the adoption of an arrangement that would allow for the two parents to share the four months currently provided for maternity leave. It welcomed the Commission's decision to delink mobility from hardship, as well as to delink those allowances from the base/floor salary scale. He trusted that the Commission's working group would focus on other options to encourage mobility. Although his delegation did not fully agree with some of the recommendations included in the report of the Panel on the Strengthening of the International Civil Service (A/59/153), it believed the report demonstrated a commitment by its authors to strengthen the management of human resources and enhance competitiveness, mobility and security within the common system.

34. **Mr. Hao Bin** (China), deploring the late issuance of the report of the International Civil Service Commission (A/59/30, vols. I and II), welcomed the progress achieved in the implementation of the pilot study on broadbanding and pay-for-performance, particularly in the completion of the framework for the pilot study, its commencement and the increase in the number of participating organizations. That demonstrated the desire of the executive heads of the organizations in the common system to reform the current pay and benefits system and improve performance. Apart from the need to further refine the criteria for success as the pilot study progressed in order to render the study more relevant and practical, ICSC should provide participating organizations with the necessary support to enable them to effectively complete the study within the set time frame.

35. Nearly 60 years of experience had proved that conditions of service in the international civil service had a strong appeal for job seekers with a public service calling. The common system salaries remained highly competitive and the Noblemaire principle, which determined the conditions of service by reference to those applicable in the civil service of the comparator, was the best acceptable formula in the current circumstances. China was of course not opposed to the study by ICSC on ways of adapting the Noblemaire principle to the new requirements of the twenty-first century in the light of civil service reforms carried out in various countries. Indeed, reform in the pay and benefits system, as an integral part of human resources management, should take into consideration the element of performance. However, the proposal of the Panel on the Strengthening of the International Civil Service to use the private sector or international financial institutions as comparators was not a responsible one. Given the intergovernmental and international nature of the participating organizations of the common system, the conditions of service of their staff should be determined by reference to those applicable in the civil service of the comparator country. While the Panel's report (A/59/153) contained some interesting ideas, his delegation was disappointed that the Panel had not conducted a comprehensive and systematic study, nor demonstrated the professionalism expected of it. Modernizing human resources management called for close cooperation among ICSC, the executive heads of the organizations and staff, under the leadership of the General Assembly. His delegation therefore called upon all parties to enhance their coordination with a view to giving the United Nations agencies the means to achieve their objectives.

36. **Mr. Yamamoto** (Japan) said that his delegation expected ICSC to continue to play a key role in the reform of human resources management. The common system must be maintained, since it not only allowed each participating organization to avoid establishing its own administrative arrangements but also ensured consistent conditions of service throughout the system, thus eliminating unnecessary competition. Noting the independence of ICSC, the technical nature of the matters it dealt with and the importance of continuity and accumulated experience, he agreed with ICSC that it could not support the recommendation of the Panel on the Strengthening of the International Civil Service to limit the terms of office of Commission members.

37. While he welcomed the ongoing effort to launch the pilot study on broadbanding/reward for contribution, he wished to point out that a fair and reliable performance appraisal system and measures to prevent personnel costs from soaring would be required and that the pilot study must not entail additional costs.

38. The Noblemaire principle continued to play its role, which was to enable the international service to recruit and retain staff members from all Member States by offering them competitive conditions of service established following comparison with the comparator civil service. There was therefore no need for a review. He supported the decision of ICSC to separate the mobility element from the hardship element and to delink the allowance from the base/floor salary scale in order to encourage greater mobility. Japan believed there was a need for ICSC to compare remuneration of United Nations staff and United States federal civil servants and undertake a comparison of total remunerations in 2005-2006 to determine the highest paid civil service.

39. While it was important to strengthen management, a Senior Management Service was not the only avenue worth exploring. It was premature to make a decision before agreeing on a specific plan. His delegation therefore supported the decision of ICSC to develop its thinking further on how to strengthen management before deciding whether to establish a Senior Management Service.

40. **Mr. Torres Lépori** (Argentina), supported by **Mr. Pulido León** (Venezuela), said that independence and objectivity, the hallmarks of the Commission's work, were a guarantee of its smooth functioning. Argentina supported the maintenance of the common system as far as remunerations and pensions were concerned and therefore supported measures in that regard. Argentina was also of the view that the Noblemaire principle should be used to establish salary scales, retaining a margin that would enable those organizations to recruit high-calibre staff.

41. **Ms. Udo** (Nigeria) said that her delegation intended to monitor certain issues very closely, especially those raised by the United States representative with respect to broadbanding and the performance appraisal system, which she trusted was well designed.

42. **The Chairman**, referring to General Assembly resolution 35/213 and to the decision taken by the Committee at its 13th meeting, invited the President of the Coordinating Committee for International Staff Unions and Associations of the United Nations System (CCISUA) and President of the Federation of International Civil Servants' Associations (FICSA) to make a statement.

43. **Ms. Waters** (President of the Coordinating Committee for International Staff Unions and Associations of the United Nations System (CCISUA)) said that, as an active participant in the Inter-Agency Security Management Network, CCISUA, whose views on staff security had been respected, if not always accepted, found it inconceivable that the proposed review and restructuring of the security management system had been undertaken without consultation with staff representatives. The proliferation of high-level posts in a Directorate of Security would only diffuse accountability and make it easier to rest responsibility for errors on middle-level managers. That would lead to the institutionalization of "collective accountability", a concept which the staff representatives completely rejected. The Organization needed to have technically competent staff in the field with proven experience in hardship areas. It was better to rely on guidance from the collective wisdom of experts the world over rather than on a select group of experts from a limited number of Member States. In London, in March 2004, CCISUA had presented to the High-level Committee on Management (HLCM) a well-researched proposal and resolution on security, but there had been no reaction or even a request for clarification.

44. Such a management attitude was at variance with Staff Regulation 8.1 (a) which mandated the Secretary-General to ensure the effective participation of the staff in identifying, examining and resolving issues relating to staff welfare, including conditions of work, general conditions of life and other personnel policies. It was staff members who were left injured or killed and it was therefore unacceptable that they had not been consulted on so important an issue. CCISUA urged members of the Fifth Committee to ensure that the voice of the staff was heard and that consultations with the staff took place on security issues in accordance with the prevailing rules.

45. Contractual arrangements played a vital role in the Organization's effort to recruit and retain staff and job security was the cornerstone on which the independence of the international civil service was built. A distinction needed to be drawn between the basis of such an international civil service and the failure of management to inspire the staff to exercise initiative, to reward personal excellence with career development and to take action in cases of proven underperformance. The failure of management to develop an appropriate personnel management system should not jeopardize the rights of the staff, who should feel free to take action in the best interests of the Organization without fear of losing their livelihood.

46. With reference to the establishment of a Senior Management Service, Member States should look very closely at the cost of that Service and the manner in which its acquired competencies would filter downwards throughout the system. Experience had shown that management training sessions and consultancy surveys and studies had yet to deliver a modern management environment.

47. The Coordinating Committee was disappointed at the decision of ICSC to separate the mobility allowance from the hardship allowance and to delink both allowances from the base/floor salary scale. That initiative could only discourage those who were willing to travel anywhere at any time to carry out the mandates of the Organization and serve the people of the world. The Coordinating Committee looked forward to participating in the Working Group set up to develop various options for compensating staff for service at hardship duty stations and for encouraging mobility.

48. The Coordinating Committee unreservedly supported the view, expressed by the Panel on the Strengthening of the International Civil Service in its letter dated 6 July 2004 by which it had transmitted its report to the Secretary-General, that competitive conditions of employment, together with effective human resources management based on modern management practices, were crucial elements for strengthening the international civil service. The Panel had expressed concern at recent trends towards the erosion of some conditions of employment and had recommended that they should be reversed. As staff representatives, CCISUA fully supported that position.

49. **The Chairman** said that, since the President of the Federation of International Civil Servants' Associations (FICSA) was not present, Ms. Waters had agreed to read out his statement.

50. **Ms. Waters**, speaking on behalf of the Federation of International Civil Servants' Associations, said that staff security was an issue of particular concern. Clearly, since the attack in Baghdad in August 2003, the United Nations had become a target and both FICSA and CCISUA had communicated to the Secretary-General their concern about the deployment of civilian staff to Iraq. They had taken note of the clarifications contained in the reply received on 18 October, which had referred to the possible arrival of additional contingents authorized under Security Council resolution 1546 (2004). The Secretary-General had recently stated that the same Governments which were asking him to send civilian staff to Iraq were refusing to provide those contingents and that for any further deployment of staff, there must be an improvement in the security situation or solid arrangements for the protection of the staff. While FICSA appreciated that assessment, it would remain vigilant.

51. Another subject of concern was the safety of staff serving with the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). The risk level had been heightened by recent events that had made UNRWA the target of allegations. The Federation called on Member States to create enabling conditions that would allow UNRWA to fulfil its mandate, and to take all necessary measures to ensure the health, well-being and lives of UNRWA staff and their families.

52. Turning to the efforts being made to reform the security management system, she said that, while FICSA would have welcomed a greater degree of consultation on that initiative, it viewed with satisfaction the proposals that the Secretary-General had made in his report (A/59/365) in which he had called for an enhanced unified security management structure. The Federation urged Member States to provide funding for the new structure, which should ensure an equitable, consistent and sustainable level of protection to all system staff regardless of their agency.

53. The Federation had participated fully in both sessions convened by ICSC in 2004 and its position on the issues considered were reflected in volume I of the Commission's report (A/59/30). Although it had never been opposed to the principle of necessary reforms, FICSA was seriously concerned about the current review of the pay and benefits system. It was firmly opposed to broadbanding and pay-for-performance for several reasons, including the difficulty of maintaining system-wide consistency and pay equity, the risk of arbitrary job assignments and the possibility of inequitable post classifications. Contrary to the arguments advanced, FICSA believed that teamwork would be eroded as staff competed with each other for raises. Few managers had been trained to manage performance and those yet to be trained might not be too receptive. Moreover, the foundation of the new type of pay system would be a credible performance system, something which was sorely lacking in the common system. Above all, the proposed new type of pay system would entail reliance on managerial discretion and that could increase the risk of cronyism and favouritism.

54. The Federation was also deeply concerned that ICSC had undertaken its pilot studies without having analysed the impact of such pay systems on public services outside the United Nations system. According to the Federation's own research, there was little evidence that such pay systems improved staff effectiveness or even motivation. The organizations that had volunteered to participate in the pilot studies all seemed to have adopted a flexible approach, which had led FICSA to wonder whether the Commission's guidelines and framework would be followed. If they were not, a proper evaluation of the pilots could not take place.

55. With regard to the mobility and hardship allowance, FICSA believed that the scheme, introduced after thorough deliberation in 1989, had rewarded staff fairly for being mobile and working in hardship duty stations. At the request of the General Assembly, however, the Commission had reviewed the scheme on the grounds that the cost had become unacceptable. It had decided to separate the two elements and to delink both hardship and mobility from the base/floor salary scale. It was extraordinary that such cost-saving measures should be taken at a time when efforts were under way to seek ways to remunerate staff that would enable organizations to attract staff and increase mobility. The Federation supported the culture of mobility and rewards for staff who accepted hardship postings. It therefore strongly believed that the mobility and hardship allowance should not be delinked from the base/floor salary scale, nor should the value of the allowance be reduced.

56. At the ICSC summer session, FICSA had again raised the issue of hazard pay for UNRWA area staff in Gaza and the West Bank. The Commission had reaffirmed its support for hazard pay but had reiterated that the responsibility rested with the Commissioner-General, who had unsuccessfully tried to persuade donors to provide the necessary funds. The Federation therefore implored the General Assembly, in the interests of fairness, to address such discrimination against UNRWA area staff. One solution, which would not be expensive but which would have a significant effect on staff morale, would be to make a special annual allocation for that purpose.

57. The Federation took note of the Commission's recommendation for an increase of 1.88 per cent to the base/floor salary scale for staff in the Professional and higher categories, with effect from 1 January 2005, on a no-loss/no-gain basis. It did not support lowering the level of the scale, which had already been restricted by the Federal Administration's decision to disqualify locality pay in Washington, D.C.

58. At the Commission's summer session, FICSA had taken note of the margin forecast for 2004 and presented a paper demonstrating that the average margin over the past 10 years (1995-2004) had been 12.5 per cent and over the past five years (2000-2004) 11.2 per cent. Both averages were below the desirable midpoint of 15 per cent. Considering that 63 per cent of current Professional staff had been serving for 10 years or less, the figures indicated that more than half of such staff had earned less than the level indicated as "desirable" in various resolutions. To allow salaries to

catch up, FICSA had proposed that the margin should be set at 18.8 per cent for the next five-year period (2005-2009) or at 17.5 per cent over the next 10 years.

59. FICSA had submitted written comments to ICSC confirming staff support for three types of contract: short-term, fixed-term and permanent. In order to retain an independent international civil service, permanent contracts must remain available. Staff on fixed-term contracts should also be given the opportunity to convert to permanent contracts. At the same time, the organizations would need to be able to hire some employees for short periods, so long as such contracts were not used to cover long-term needs and did not result in unfairness among staff members.

60. Despite what some people thought, job security was extremely important for both local and international staff because of the consequences of termination. Insecure contractual conditions often resulted in appeals lodged with the administrative tribunals. They could also have an impact on the health of staff, causing stress-related illness, and impede access to health insurance benefits. For international staff who had spent the greater portion of their working lives as expatriates, there was the added complication that they were often not fully settled in the host country but were no longer at home in their own. The Commission had been right to wish to simplify contractual arrangements, but the General Assembly should ensure that the opportunity to make a career in the United Nations system was not jeopardized.

61. With regard to the report of the Panel on the Strengthening of the International Civil Service, she recalled that FICSA had supported the review of the Commission's consultative process, requested by the General Assembly in 1995 in resolution 49/223, and the conclusion by the former Administrative Committee on Coordination (which had been replaced by the Chief Executives Board) that a key element in reforming ICSC was the selection of its members. The frustration engendered by the slow process of reform had led to the adoption in 2002 of a decision clearly requiring that the review should be conducted. FICSA had been fully prepared to participate, in view of the fact that one aim of Action 18, in document A/51/950, was to enhance staff-management communication and consultation with a view to maximizing staff contributions to the reform process and enhanced organizational performance.

62. The Secretary of the High-level Committee on Management had written to both staff federations on 22 March 2004, inviting their views on measures that should be taken to strengthen the Commission and to equip it, within the framework of its statute, with the necessary resources to implement its tasks, while ensuring its independence, impartiality and effectiveness. The Federation had submitted its comments in writing to the Panel through the Secretariat of the Chief Executives Board for Coordination in April 2004. In view of the Panel's terms of reference and the reason for the review, FISCA had commented only on the structure and functioning of ICSC.

63. The Federation had received a copy of the Panel's report in July 2004 during the meeting of the Human Resources Network. While considering that recommendations 1 to 8 could have been further developed, FICSA had welcomed them as a first stage in the review process. It had, however, been bewildered by the remaining recommendations, since they seemed not to adhere to the terms of reference set forth in document A/57/612 but rather to have been made on the basis of the Panel's own interpretation of its mandate, as indicated in paragraph 15 of the report, which stated that the Panel had decided to focus on concrete measures to strengthen the management of human resources, among other issues. The Federation would have preferred the Panel to abide by the General Assembly's request and analyse the role and main characteristics of the international civil service. In that process FICSA would have wished to participate. The Panel had primarily been mandated to consider the measures that should be taken to enable the Commission to review conditions of service in the common system and make recommendations thereon; it had not been mandated to make such recommendations itself. Therefore FICSA urged Member States to focus on recommendations 1 to 8 and to disregard the others, which related to issues on the programme of work of ICSC and were within the Commission's terms of reference.

64. **Ms. Goicochea** (Cuba) said it was most important that staff representatives should be able to express their views and enrich the discussion. She had noted with interest the information provided on staff security. She was deeply concerned by the proposals submitted in connection with the consideration of human resource management and the Commission's

report, in particular with regard to the structure of broadbanding and pay-for-performance. She supported the comments by the Nigerian delegation: in the absence of an assessment system for officials that was more reliable than the current procedure and a proper system for the administration of justice, the proposals could lead to the application of subjective criteria and arbitrary decisions by the Administration. She also had reservations concerning the development of a Senior Management Service, recalling that the issue had been considered by the Committee for Programme and Coordination and by the Fifth Committee but had not been the subject of a General Assembly decision.

65. **Mr. Elji** (Syrian Arab Republic) said that no reform could be successfully conducted unless there was real cooperation with the staff. It was therefore essential that the staff should participate in decision-making and that the Administration should respond adequately to the staff's needs.

66. **Ms. Udo** (Nigeria) said that her delegation would examine very carefully all the points raised in the statements by the staff representatives, some of whose concerns it shared.

67. **Mr. Jonah** (Sierra Leone) recalled the important role played by ICSC in the proper functioning of the international civil service. He noted with satisfaction the quality of the statements by the two staff representatives and the spirit of cooperation that they had demonstrated.

68. **Mr. Bel Hadj Amor** (Chairman of the International Civil Service Commission) said that throughout the pilot study, ICSC would cautiously evaluate the proposals for the review of the pay and benefits system. As to how the Commission's three-year schedule could allow it to consider all allowances, he said that it was generally recognized that expatriate entitlements represented 20 per cent of the total compensation package, with salary and pension representing 80 per cent. ICSC had drawn up a schedule for their consideration and had begun with the largest components, namely the education grant and the mobility and hardship scheme. The objective was to link the compensation package to the ongoing reform efforts of the organizations.

69. ICSC had once again addressed the question of payment of the education grant for post-secondary education. The comparator civil service provided cost-free secondary education and higher education was fully subsidized for expatriates, while the common system subsidized 75 per cent of costs. A detailed comparison of grants awarded by the comparator and the United Nations common system showed that the former had an advantage in many cases. Furthermore, many European Member States provided higher education at no cost and some international organizations provided subsidies through the Master's degree.

70. With regard to the Noblemaire principle, the issue of comparing the compensation package of some international organizations to that of the common system was not new. In the mid-1990s, the General Assembly had approved the proposal of the Commission to include two international organizations in the study, namely the World Bank and the Organization for Economic Cooperation and Development (OECD). The results had shown that net salary levels for those two organizations were some 30 to 50 per cent higher, respectively, than those in the common system. The comparator civil service had conducted a similar study which had led it to the same conclusions. The current review of the Noblemaire principle would begin in summer 2005.

71. The Commission had addressed the competitiveness of common system salaries on numerous occasions, at the request of the organizations. The only detailed information they had reported to the Commission regarding their difficulties with recruitment had demonstrated some isolated problems in certain areas. The discussion of that question was summarized in paragraphs 265 and 266 of the report. The Commission was working with staff and organizations to establish a set of guidelines for contractual arrangements and would report to the General Assembly when they were completed. If the proposal was accepted, the United Nations should adjust its approach in order to support the coherence of the common system.

72. The Commission noted that many of the recommendations of the Panel on the Strengthening of the International Civil Service were in line with the decisions adopted by the Commission at its most recent sessions. Still, its members were unanimous in their doubts concerning other recommendations. In his personal capacity, he had expressed similar reservations to the Panel, of which he was an ex-officio member, but he had decided to join the consensus.

73. The functioning of the Commission had been reviewed on several occasions at the end of the 1980s and in the early 1990s in implementation of General Assembly resolutions 42/221, 43/226 and 44/198, and many improvements had been introduced, sometimes as a result of concerns the Commission had expressed at its own functioning. Throughout 30 years of existence, the Commission had never lost sight of the complexity of its mandate, which required technical competence, impartiality and independence. It had endeavoured to maintain a carefully balanced appreciation of the interests of all parties concerned, at the risk of generating intense controversy if those interests conflicted. No selection process for membership in the Commission could be a substitute for election; it would constitute an unacceptable infringement on the prerogatives of the General Assembly. The election of ICSC members had served to ensure their impartiality, a concern which the Commission shared with Member States.

74. The recommendation concerning term limits was not a minor adjustment, but an attempt to revise article 5 of the statute of the Commission, which would certainly weaken it. It took some time for a member of the Commission to become knowledgeable on the range of complex issues to be dealt with. Term limits would provide an unfair advantage to the representatives of other interlocutors with years of experience. With regard to the length of sessions, they had already been reduced by two weeks some years earlier and a further reduction would require shortening the agenda in order to avoid delays in addressing issues. Establishing working groups would not solve the problem because of budgetary constraints and lack of available members.

75. With regard to the Senior Management Service, he reiterated his statement of 27 October. The Commission had not considered the matter, which had to do with salaries and indemnities, a priority, but it had nevertheless followed closely the work of the Chief Executives Board. Moreover, while recognizing that the Board could take steps to strengthen the management capacity of executive heads, ICSC stated that it alone was authorized to recommend the establishment of such a body and that the decision should be taken in the General Assembly.

76. **Mr. Weisell** (Federation of International Civil Servants' Associations) thanked the Chairman of CCISUA for having read the Federation's statement. He was available to participants to answer their questions.

77. **Ms. Goicochea** (Cuba) said that the problem with the establishment of the Senior Management Service was precisely that the Administration had taken action before the General Assembly had reached a decision.

Organization of work

78. **Ms. Udo** (Nigeria) was surprised that the Fifth Committee had held a meeting at a time when several of its draft resolutions were being considered in the plenary of the General Assembly. Members of some delegations had not been able to attend the beginning of the current meeting to hear the statement by the President of the Staff Union in particular, which dealt with very important issues, because they did not have enough members to cover two meetings.

79. **The Chairman** said that the meeting had been scheduled to prevent the Committee from falling further behind in its work, and on the understanding that the draft resolutions submitted to the General Assembly had been adopted by consensus. Nevertheless, he proposed that members of the Committee could consider the question in informal consultations in order to decide whether it could hold a formal meeting while the General Assembly was considering draft resolutions it had submitted.

80. **Mr. Jonah** (Sierra Leone) recalled that, unfortunately, the problem was not new. The Committee should not meet when the Assembly was considering its draft resolutions. Moreover, it was not the Member States but the Secretariat that must address the matter.

81. **Mr. Abelian** (Secretary) said that, for various reasons, the General Assembly had been unable to consider the draft resolutions submitted by the Committee at an earlier date. The deadline it had set for taking decisions on those matters, several of which concerned the financing of peacekeeping operations, had been set for that day, and therefore the items had to be considered.

82. **The Chairman** said that, from 1 to 11 November, meetings would be held from 9.30 to 12.30 and from 2.30 to 4.30. The Secretary-General would submit his report on the strengthened and unified security management system for the United Nations (A/59/365)

on 1 November and the debate would be held on 3 and 4 November.

83. **Ms. Udo** (Nigeria) asked for clarification on the procedures for the participation of staff representatives in the consideration of the common system and human resources management.

84. **Mr. Abelian** (Secretary of the Committee) said that, in accordance with General Assembly resolution 35/213, staff representatives would respond in writing to questions from delegations.

85. **Ms. Goicochea** (Cuba) would like to know when delegations would receive the report of the Advisory Committee on security, given its importance and the high costs predicted.

86. **Mr. Abelian** (Secretary of the Committee) said that the report of the Advisory Committee (A/59/539) would be distributed to the mailboxes of Member States on Monday, 1 November at 6 a.m.

87. **Ms. Goicochea** (Cuba) said that the time between the issuance of the report and its consideration by the Committee was not sufficient.

88. **The Chairman** said that it had not been possible to postpone the statement by the Secretary-General, but the general debate had been postponed to allow delegations to study the report of the Advisory Committee.

The meeting rose at 12.50 p.m.

United Nations A/C.5/59/SR.18

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Summary record of the 18th meeting
Held at Headquarters, New York, on Monday, 1 November 2004, at 2.30 p.m.

Chairman: Mr. MacKay .... (New Zealand)

***Chairman of the Advisory Committee on Administrative and Budgetary Questions*: Mr. Kuznetsov**

Contents

Agenda item 108: Programme budget for the biennium 2004-2005 (*continued*)

Strengthened and unified security management system for the United Nations

Agenda item 118: Report of the Secretary-General on the activities of the Office of Internal Oversight Services

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The meeting was called to order at 2.45 p.m.

Agenda item 108: Programme budget for the biennium 2004-2005 (*continued*)

Strengthened and unified security management system for the United Nations (A/59/365 and Corr.1, Add.1 and Add.1/Corr.1; A/59/396 and A/59/539)

1. **The Secretary-General**, introducing his report on a strengthened and unified security management system for the United Nations (A/59/365 and Corr.1, Add.1 and Add.1/Corr.1) and his note transmitting the report of the Office of Internal Oversight Services on the utilization and management of funds appropriated during the 2002-2003 biennium for strengthening the security and safety of United Nations premises (A/59/396), said that he had no more important responsibility than to ensure the protection of his staff, talented and dedicated men and women who carried out vital missions of development and peace throughout the world, in always challenging and sometimes hostile circumstances. They needed and indeed deserved the best possible safety and security. He therefore welcomed the opportunity to present to the Committee his proposals for ensuring that in future the Member States and the Secretariat could work together more effectively and professionally to uphold that fundamental and even sacred responsibility.

2. The United Nations was facing a security environment of unprecedented risk. Where once most peacekeepers monitored relatively quiet ceasefire lines, now the typical operation was in a conflict zone or other volatile area, and often must contend with a collapsed society and, in some cases, non-State actors who had little or no respect for the rules of war. Humanitarian needs had also expanded, meaning that more of the Organization's relief and development personnel must venture further into more remote and potentially more hazardous territories.

3. After the August 2003 disaster in Baghdad, as well as many other tragic incidents, the United Nations was forced to acknowledge that it had become a target of political violence, challenging the long-held perception that it was protected by its flag and by its status as an impartial, benevolent actor. That very same phenomenon was having similarly major implications for the International Committee of the Red Cross, humanitarian non-governmental organizations (NGOs) and other traditional United Nations partners.

4. The deteriorating environment dated back to the early 1990s. Since then, the history of the Organization's international engagements had included a brutal procession of murder, rape, harassment and abductions inflicted on national and international staff alike, from Dili to Mogadishu, from Tblisi to San Salvador. Since 1992, 218 civilian staff and several hundred peacekeepers had lost their lives to malicious acts in the line of duty; many others had been grievously wounded, detained or were missing. Currently, the Organization was actively seeking the immediate and unconditional release of three international staff who had been taken hostage four days previously in Kabul.

5. That new security reality provided a compelling rationale for security reform. With the help and support of the General Assembly over the years, the Organization had been able to increase somewhat the number of staff devoted to security management and to take other steps to professionalize its security system. In 2000 and again in 2003, teams of independent experts had assessed that system, with the second evaluation having been finalized just days before the Baghdad bombing. The Ahtisaari report on the bombing itself graphically exposed the weaknesses of the Organization's security system.

6. All the studies had identified the same shortcomings in the Organization's security management system — primarily its fragmentation and its severe shortage of resources. And all agreed that those and other problems and flaws were not specific to any one country but, rather, were systemic, with implications for the global conduct of the work of the United Nations. The message of those exhaustive reviews was clear: with or without Baghdad, the Organization's security system was inadequate to meet all the new threats that now had to be faced. The Organization had an extraordinary number of people to protect: 100,000 international and national staff, plus 300,000 of their family members and dependants, serving the world at more than 140 field locations and Headquarters duty stations. The staff had both a keenly felt duty to reach people in troubled areas and a commitment to carrying out the mandates entrusted to them by Member States. Security was not a privilege or a luxury, not an afterthought or a burden, but rather an essential condition for doing that job.

7. The plan he had put before the Committee addressed all the shortcomings of the current arrangements. Every organization in the United Nations system strongly supported it, as did the Federation of International Civil Servants' Associations (FICSA). Above all, it built the security system which the Organization needed for the future: unified, professional, robust, and capable of meeting the demands placed upon it. The current system was terribly fragmented, with disparate security entities and offices both at Headquarters and in the field. His proposal aimed to create a single, integrated security management system.

8. The proposed Directorate of Security was designed to ensure that the Organization's security system had clear procedures and lines of accountability, so that managers were adequately supported and could acquit themselves of their responsibilities. It was also designed to ensure that the United Nations was organized and staffed to provide expert, reliable threat and risk analysis, which was fundamental to security, especially in volatile, constantly changing circumstances. He had been encouraged when, in June 2003, the General Assembly had recognized in its resolution on security needs that professional capacity in that area must be strengthened. It was designed to ensure, moreover, that field operations were adequately supported. The Organization could no longer accept a situation where 33 countries lacked a resident field security officer, and where, in a further 18 countries, the current complement of security officers could not provide the necessary coverage. Furthermore, it was designed to ensure that the Organization had the means and capacity to ensure compliance, through rigorous inspection regimes, human resources management, and other measures. Finally, it was designed to develop a strong cadre of professional security experts. The Organization currently had many very good people. Its aim was to build on that expertise, with training and career development that would serve the Organization over the long term. Staff at large should also be part of that training.

9. The Committee would not be surprised that such a sizeable package came with a price. Given the mandates entrusted to the Organization by Member States, the need to improve its physical and technical infrastructure, and the intensive training and career development that was necessary, it remained grossly under-funded, even with the extra support the Assembly had already provided. He would have been only too happy if the United Nations had been able to make do with existing resources or only modest increases. The inescapable fact, however, was that it needed more resources. It needed them immediately and it needed them to be sustained over time. Compared with the total amount spent by the United Nations system on programmes, the $97 million requested was relatively modest. It should not be thought of as separate from programmes, but as an essential condition for them, since without adequate security the Organization could not be effective in its development and humanitarian work in much of the world and in many of the difficult places in which it operated.

10. An essential feature of his proposal was that the United Nations should do away with the cost-sharing arrangements that had funded field security operations in the past. Cost-sharing was administratively cumbersome and left critical security needs dangerously dependent on the voluntarily funded budgets of agencies, programmes and funds, meaning that funding was not predictable. In short, cost-sharing was inappropriate for what was a core responsibility, and even a prerequisite, for United Nations operations. Security of all staff was an essential component of any work done by the Organization. As such, it must be part of its core budget.

11. It was time for the Committee to take resolute and unstinting action. United Nations staff were saying so. Exhaustive, authoritative reviews of the Organization's security system, including the Ahtisaari report, had reached the same conclusion. The security system must be fixed and updated. He urged the members of the Committee to remember what was at stake: people throughout the world, including many of their own citizens, were crying out for the United Nations to come to their aid during moments of crisis — in Darfur, or in other places far from the media spotlight — or simply to accompany them in their day-to-day struggle for dignity. The Member States, with mandates handed down by the General Assembly, Security Council and other organs, also expected the Organization to go where people were suffering or in need.

12. The men and women who served the United Nations heard those cries for help and were eager to answer them. That was the vocation they had chosen.

But to be effective, to be accessible, to avoid a fortress mentality, to get out there and serve, they needed security. The Organization could no longer rely on fragmented security structures, or on a small group of overextended security advisers who tried valiantly to cope and keep up. In a new security environment, it needed a new way of doing business.

13. He wished to thank the Committee for understanding that challenge and for backing the Organization's initial response. He urged it to continue supporting that path of change, to help the United Nations reach the next level of service and to understand that security for the staff must be his first priority. He considered his current proposal to be one of the most important — if not the most important — that he had put before the Member States during his time as Secretary-General. He had no doubt that, working together, the people of the world would reap a high return on that essential investment.

14. **Mr. Kuznetsov** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee on a strengthened and unified security management system for the United Nations (A/59/539), said that the Advisory Committee had discussed the report of the Secretary-General (A/59/365 and Corr.1, Add.1 and Add.1/Corr.1) extensively, not seeking savings in what was an area of vital concern, but rather making recommendations and suggestions to further refine the concepts which had been proposed.

15. In the view of the Advisory Committee, the new system should be field-oriented, with a streamlined central capacity at Headquarters, so it had recommended in some cases that assets should be reassigned. If the General Assembly accepted the recommendations, there would be much work to do. It was therefore important for an implementation report to be prepared for submission to the General Assembly at its sixtieth session. Some of the measures recommended could be monitored, adjusted or reconsidered in the light of that report.

16. Host-country agreements, in the form of legally binding documents, must be concluded and/or updated. Despite the proposed unified security structure, separate security structures would continue to exist, with potential for duplication and possibly dangerous confusion. Establishing coordination and liaison units might not be enough: every duty station must have an integrated team to respond to its particular security needs. There must be genuine collaboration and a clear line of authority, reflected in the accountability and responsibility framework.

17. The Advisory Committee still maintained its view that there must be common ownership of the system, with the right to participate in decision-making. Cost-sharing must therefore be retained; if it were not, the money saved might be used to continue and/or expand separate security systems. If all participants felt they had an effective voice, most, if not all, of the practical problems of cost-sharing would be more easily solved.

18. The Advisory Committee supported the establishment of a post of Under-Secretary-General to head the proposed Directorate of Security. The individual appointed must be a security expert with extensive professional experience in the organization and management of a complex international security function. The official must also be fully capable of providing direct operational leadership. However, the Advisory Committee did not favour maintaining the existing Assistant Secretary-General post of security coordinator, since that would create an intermediate layer of responsibility. If a need emerged for the Under-Secretary-General to have a deputy at Assistant Secretary-General level, such a proposal could be made in the implementation report called for by the Advisory Committee.

19. While welcoming the establishment of an implementation management team and a core capacity at Headquarters for overall matters such as policy planning and coordination, compliance, evaluation and monitoring, and training and standardization, the Advisory Committee saw no need for the Directorate of Security to replicate existing Secretariat-wide administrative support units, preferring to see an Executive Office established instead to provide the traditional support to the proposed Directorate. Similarly, rather than have a Division of Regional Operations with five desks at Headquarters, the Advisory Committee favoured a lean central capacity at Headquarters with field-based officers fulfilling the desk-officer function. Field-based officers would be able to receive information close to its source and would be well placed to respond to emergencies. It also wished to encourage close collaboration with the desks of the Department of Political Affairs and the Department of Peacekeeping Operations.

20. The Advisory Committee took note of the large proposed increase in posts for the security and safety services in New York and other main United Nations locations and recommended that the head of the Division of Security and Safety Services in New York should not be appointed at the D-2 level, that the grade levels and assignment pattern of the other proposed posts should be re-examined and that the results should be included in the implementation report. It also noted the approximately $85 million of potential expenditure on projects for compliance with headquarters minimum operating security standards (H-MOSS) and requested the Secretary-General to submit for the consideration of the General Assembly a detailed blueprint of the access-control system and a justification of the costs involved. Pending consideration of that report, no funds would be appropriated, but the Secretary-General would be authorized to enter into commitments of no more than $11.2 million for planning and initial work. The Advisory Committee was furthermore not convinced that the large increase in the commitment authority to be given to the Secretary-General was currently warranted, recommending instead that the upper limit should be doubled to $1 million as an interim measure and reviewed when the Secretary-General submitted the implementation report.

21. The Advisory Committee was keenly aware of the importance of a well structured and effective response to the rapidly changing security environment which the United Nations faced, and had therefore not approached the matter with a view to recommending cuts or minimizing expenditure. It hoped that its recommendations would build on the Secretary-General's existing proposals and help to achieve an efficient and dependable security system.

22. **Mr. Nair** (Under-Secretary-General for Internal Oversight Services), introducing the report of the Office of Internal Oversight Services (OIOS) on the utilization and management of funds appropriated during the 2002-2003 biennium for strengthening the security and safety of United Nations premises (A/59/396), said that the Office's audit had focused on the implementation of proposals contained in the report of the Secretary-General on strengthening the security and safety of United Nations premises (A/56/848) with the objective of determining whether the resources provided had been utilized as intended and managed efficiently and effectively in compliance with established procedures. The audit had shown that by December 2003, $27.3 million, or just over 47 per cent of the estimated expenditures, had been spent. By 31 May 2004, expenditures had increased to $48.6 million. The initial low utilization rate had been due primarily to the time taken to finalize the main construction contract. Projects for Headquarters with an estimated cost of $20.7 million were now expected to cost more than $34.5 million. There would be further cost escalations if the Office of Central Support Services proceeded with the proposed changes in specifications. The guarantees provided by the contractor regarding the main construction contract were significantly lower than the Organization's normal requirements and industry standards.

23. As of 31 May 2004, about $9.6 million (62 per cent) of the $15.5 million appropriated for the United Nations Office at Geneva had not been utilized, mainly because of the need to redesign projects in the light of the increased level of threat to the United Nations. The overall cost was now estimated at nearly $31 million. The project management capacity needed to be strengthened by the appointment of a project manager. The steering committee established to oversee the security projects must be revitalized. And a market survey should have been conducted to ensure that the total fees payable were still competitive. The Office would continue to monitor the implementation of the 10 recommendations issued as a result of the audit, which had been generally accepted by management.

Agenda item 118: Report of the Secretary-General on the activities of the Office of Internal Oversight Services (A/59/359 and A/59/785)

24. **Mr. Nair** (Under-Secretary-General for Internal Oversight Services), introducing the report of the Office of Internal Oversight Services (A/59/359), said that section I of the report contained statistics on the quantitative impact of the OIOS recommendations. During the previous 12 months, the Office had issued 1,515 recommendations, about 40 per cent fewer than in the preceding 12-month period. The decrease was due mainly to the inclusion of only the more significant and specific recommendations in the oversight reports. There had been no change in the extent of oversight activities.

25. As of August 2004, over 52 per cent of all recommendations had been implemented, some 36 per cent of them having been classified as critical to the Organization. The savings in 2004 totalled $26.6

million, including recoveries and reduced expenditures resulting from recommendations made in earlier years. The new recommendations issued during the reporting period could produce savings and recoveries estimated at $16.4 million. Information on critical recommendations issued before July 2003 but not implemented as of 30 June 2004 was contained in annex II to the report.

26. Section II of the report was organized around the portfolio of high-risk areas that had been identified by the Office for 2004. The findings were the outcome of the various activities that had been undertaken to mitigate such risks. Section II also highlighted those recommendations that had far-reaching implications for the Organization. The Office would continue its practice of identifying the areas of highest risk, an approach which could be used in collaboration with Member States and other oversight bodies with a view to establishing an order of priority among oversight assignments. Two examples of that approach were the horizontal assessment of field security procedures in 14 peacekeeping and 6 political and peacebuilding missions and the audit of the utilization and management of the funds appropriated in 2002-2003 for implementing measures to strengthen the security and safety of United nations premises.

27. The Office was always seeking to maximize its impact on the Organization in partnership with Member States and managers at all levels. Its activities addressed administrative bottlenecks and points of vulnerability and it also undertook broader assessments of programmes, as mandated by the Committee for Programme and Coordination.

28. In his note transmitting the report, the Secretary-General requested the General Assembly to consider initiating a comprehensive review of OIOS operations. The review conducted in the Office's fifth year had been very helpful and a new review, in its tenth year, would be even more important. However, due care should be taken to ensure the independence of the review, which should preferably be conducted by an entity reporting directly to an intergovernmental body, such as the Board of Auditors.

29. **Mr. Park** Yoon-june (Republic of Korea) commended the Under-Secretary-General and his team for making the United Nations more efficient, effective and accountable. No stakeholder could treat OIOS findings or recommendations lightly. Even the savings of $26.6 million achieved by implementing just half of the recommendations understated the benefit that the Office brought to the United Nations in terms of structural improvement.

30. The surge in peacekeeping operations in 2004 had implications for the Office, for by their nature such operations were more vulnerable to mismanagement and fraud. It would therefore be in the Organization's interest for the Office to devote more attention to peacekeeping operations. It should focus on enhancing cooperation among neighbouring missions and the more systematic transmittal of lessons learned from mission to mission. The Department of Peacekeeping Operations should fully implement the OIOS recommendations.

31. With regard to the allegations of corruption in the United Nations Office on Drugs and Crime, mentioned in paragraph 91 of the report, his delegation would like to know how OIOS planned to nurture an atmosphere conducive to whistle-blowing, particularly when senior officials were involved. The matter of whistle-blowing was just one example of how vital it was to preserve the Office's independence. His delegation therefore supported the proposals contained in paragraph 129, in particular the delegation to the Office of authority to propose and manage its own financial and human resources.

32. **Mr. Nair** (Under-Secretary-General for Internal Oversight Services), introducing the report of the Office of Internal Oversight Services on its audit of the regional commissions (A/58/785), said that the report focused on critical programmatic issues common to the regional commissions and the discussion of those issues in the Economic and Social Council. The Office's findings were set out in section II of the report.

33. The Office had made nine recommendations on whether the Economic and Social Commission for Western Asia and the Economic Commission for Africa needed a separate statistics division.

34. The comments of all the regional commissions and their New York Office had been incorporated in the report and the Secretary-General had concurred with all of the recommendations of OIOS.

The meeting rose at 3.40 p.m.

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Summary record of the 19th meeting
Held at Headquarters, New York, on Wednesday, 3 November 2004, at 9.30 a.m.

Chairman: Mr. Elji (Vice-Chairman) .... (Syrian Arab Republic)
later: Mr. MacKay (Chairman) .... (New Zealand)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Kuznetsov

Contents

Agenda item 108: Programme budget for the biennium 2004-2005 (*continued*)

Strengthened and unified security management system for the United Nations

Agenda item 118: Report of the Secretary-General on the activities of the Office of Internal Oversight Services (*continued*)

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In the absence of Mr. MacKay (New Zealand), Mr. Elji (Syrian Arab Republic), Vice-Chairman, took the Chair.

The meeting was called to order at 9.50 a.m.

Agenda item 108: Programme budget for the biennium 2004-2005 (*continued*)

Strengthened and unified security management system for the United Nations (A/59/365 and Corr.1 and Add.1 and Corr.1, A/59/539 and A/59/396)

1. **Mr. Rock** (Canada), speaking on behalf also of Australia and New Zealand, said that the Committee's consideration of security questions was not an abstract exercise, as evidenced by the abduction of three United Nations staff members in Afghanistan. It was high time to take a more systematic and professional approach to staff safety and security, if only because the United Nations system was responsible for 180,000 staff and some 300,000 dependants in over 140 countries and it was operating in a far more threatening security environment. The reviews of the security management system over the past few years had all identified the same weaknesses: fractured structures, unclear lines of responsibility and accountability, non-compliance with security rules and insufficient resources and professional expertise.

2. The proposals of the Secretary-General in his report (A/59/365 and Corr.1 and Add.1 and Corr.1) would allow the weaknesses in the current system to be corrected, the idea being to have improved security without adopting a bunker mentality in order to enable the United Nations system to implement its mandates throughout the world and continue to have access to the groups it was meant to aid. Four elements had fundamental merit: (a) the unification of multiple security structures within a new Directorate of Security; (b) the centralization of security functions at the country level, with the senior United Nations official in the given location reporting to the new Director of Security on security matters; (c) the establishment of the necessary capacity at Headquarters to set policies and standards, assess threats and risks, provide training and administration and supervise compliance with guidelines, with a view to supporting effective field operations; (d) the strengthening of security staff, including staff in the field, bearing in mind the needs of the various parts of the United Nations system.

3. By proposing only seven top management posts in an overall complement of over 1,500 staff, the Secretary-General had avoided a top-heavy structure. The Secretary-General's proposals had merit, but some clarification was required about the need to professionalize security staff and about the global access control system. Canada agreed with the Advisory Committee on Administrative and Budgetary Questions (ACABQ) that the role of each responsible field security official should be made clear and that it was preferable to use existing units for administrative functions rather than creating new ones, and it noted that ACABQ was suggesting a different way of handling administration from that proposed by the Secretary-General. The financial and operational implications of the decision to phase out current cost-sharing arrangements and have security costs funded from the regular budget should be analysed more in depth, bearing in mind that the primary goal was to establish a robust, effective and flexible system so as to guarantee the safety and security of United Nations personnel. The various United Nations bodies would have to introduce a number of changes to adapt to the new requirements, and the Secretary-General's proposals would be refined at the implementation stage, taking into account the comments of the Advisory Committee. Leadership, accountability, the establishment of security standards and ensuring compliance with them would be the key elements in the new system.

4. **Mr. Ozawa** (Japan) said that, with United Nations staff being mandated to carry out potentially hazardous missions, his Government attached great importance to the safety and security of staff and had made voluntary contributions to the Trust Fund for Security of Staff Members of the United Nations System. Japan welcomed the proposals of the Secretary-General to strengthen and unify the security management system of the United Nations system as a whole and hoped that Member States would come to a consensus based on the views and recommendations of the Advisory Committee in its report (A/59/539).

5. As the Advisory Committee had indicated, the security management system needed to be truly integrated and adapted to the needs of personnel both at Headquarters and in the various field locations where United Nations staff were asked to intervene, as part of peacekeeping operations, humanitarian

assistance and economic development activities or technical cooperation activities.

6. The new security system should have a streamlined central capacity at Headquarters and should be primarily focused on the field. Like the Advisory Committee, his delegation opposed establishing separate Directorate units to handle human resources management, finance and budget, logistics and information systems support, and it believed that the proposed new Directorate of Security should concentrate on devising common policy and standards and on threat and risk analysis, monitoring and compliance, and training.

7. Japan supported the Advisory Committee's recommendation that a post of Under-Secretary-General should be established for the head of the new Directorate, even though that tended to add to the already top-heavy structure. He would have thought it more judicious to give the head of the Directorate of Security a rank lower than that of the head of the Headquarters Department of Management, as was the practice in ministries of foreign affairs, where the person in charge of administration was generally responsible for supervising the security services. Like the Advisory Committee, his delegation believed that the establishment of an Under-Secretary-General post obviated the need to maintain an Assistant Secretary-General post, formerly occupied by the United Nations Security Coordinator.

8. His delegation believed that the cost-sharing principle should be maintained because it encouraged all the United Nations bodies concerned to participate in the security management system and entitled them to take part in decision-making.

9. Japan supported the proposal to establish a global access control system and invited the Secretariat to submit to the General Assembly a detailed blueprint of the system, with the necessary justification of all costs involved. It supported the Advisory Committee's recommendation authorizing the Secretary-General to enter into commitments not exceeding $11.2 million but without yet appropriating the funds.

10. *Mr. MacKay (New Zealand) took the Chair.*

11. Mr. Løvald (Norway), noting that the question of the safety and security of United Nations personnel had been on the General Assembly agenda for many years, said that security was a precondition for programme delivery and for the continued presence of the United Nations in the field; hence he supported the Secretary-General's proposal to establish a Directorate of Security.

12. Welcoming the steps already taken to unify the security system at the country level, his delegation agreed with the Secretary-General that the official designated to coordinate security issues at a given duty station should be accountable for the safety of all United Nations personnel posted there. It also believed that the number of security officers had to be increased and therefore considered the proposed additional posts justified. One task of the Directorate of Security would be to develop system-wide policies, standards and procedures and coordinate their implementation, and therefore it should be given a strong Headquarters component to provide the necessary field support. Norway agreed with the Secretary-General that the chief of the new Directorate should be an Under-Secretary-General.

13. Furthermore, the threat and risk assessment capability should be strengthened, and regional desks and a round-the-clock alert facility at Headquarters should be established. It was important to provide specific security training to both security personnel and non-security staff. It was also important for security officers to have a thorough understanding of the United Nations mandates in order to ensure programme delivery.

14. The growing integration of peacekeeping operations, encompassing both military and civilian police operations and humanitarian and development activities, required close coordination between the new Directorate of Security, the Department of Peacekeeping Operations and other United Nations bodies. In addition, Headquarters should cooperate with United Nations agencies active in the field, since their security officers there would be integrated into the proposed new security structure.

15. The safety of air operations, moreover, should also be given high priority, even though it was not specifically addressed in the reports before the Committee.

16. Security should be regarded as a core function and a condition for programme delivery, and the costs should therefore be shared by all Member States. Norway fully supported the phasing out of the current cost-sharing arrangements between the various United

Nations bodies and believed that the security management systems should be financed from the regular budget rather than depending on voluntary contributions. The Secretary-General should be given the authority to enter into commitments to meet unforeseen and extraordinary expenses at a level higher than the current limit of $500,000, which was far from sufficient to meet the security demands.

17. In view of the importance of the safety of United Nations personnel, an issue too long neglected in a period marked by heightened violence and threats, and especially terrorist threats, it was surprising that the Advisory Committee should dismiss proposals such as the establishment of regional desks and administrative support units and should recommend cutting back on the number of proposed posts at Headquarters. Norway therefore called on the Fifth Committee to take an independent look at that issue, bearing in mind not only the numbers but the fact that the role of the Organization in the twenty-first century was at stake. The Organization must be given the capacity to protect its staff while at the same time not succumbing to a bunker mentality. It was not enough for the General Assembly to call for accountability and responsibility within the United Nations system. It was equally important that the Member States should assume their share of the responsibility and take the decisions needed to strengthen security management and provide the Secretary-General with the necessary financial means.

18. **Mr. Konuzin** (Russian Federation) said that his country attached primary importance to strengthening security for United Nations staff and premises within the broader context of countering international terrorism. At a time when the Organization was being targeted by international terrorism, as evidenced by the kidnapping of its staff in Afghanistan, no one could question the need for taking urgent and decisive security measures. Projects in that area should be implemented without delay and their funding should be given top priority.

19. The unified security management system strategy which the Secretary-General had outlined in his report was being developed, but both the Headquarters and the United Nations offices, as well as the agencies, funds and programmes encompassed by the strategy had much more to do to finalize and implement the concepts generally outlined, including the determination of the specific amount of funding required. On the whole, his delegation supported the Secretary-General's proposals in that area and hoped that the establishment at Headquarters of a new Directorate of Security would make it possible to work out a common policy on security standards and ensure a centralized assessment of threats and risks, coordination of action and the delivery of operational and technical support to local security services. One of the most important functions of the new Directorate should be to raise the efficiency and eliminate the drawbacks of the existing cost-sharing mechanism. That mechanism, which should be maintained within the new unified security management strategy, could be made more efficient through the greater involvement of United Nations agencies, funds and programmes in the decision-making process. From the outset, the new Directorate should pay close attention to achieving that goal, as well as to the mobilization of resources within the context of cost-sharing. It would be appropriate, therefore, to invest the respective functions in the deputy chief of the Directorate at the Assistant-Secretary-General level and to approve that post at the current session of the General Assembly.

20. His delegation recognized the important role of host countries and the need for effective cooperation with their authorities and it was concerned about the delays mentioned in the report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) in bringing existing host country agreements into line with the currently prevailing security requirements, taking into account the capacity of those countries. While a centralized approach to ensuring system-wide security was important, care must be taken to avoid excessive concentration of financial and human resources at Headquarters and to focus on the needs of offices, agencies, funds, programmes and missions away from New York, especially in those countries which had a limited capacity to ensure the Organization's security. Fundamentally, his delegation supported the measures proposed by the Secretary-General and stood ready to discuss constructively specific parameters of the proposed unified security management system, taking into account a number of the recommendations contained in the reports of ACABQ and the Office of Internal Oversight Services (OIOS).

21. **Mr. Maurer** (Switzerland) said that his country fully agreed with the Secretary-General's assessment of the need to provide the United Nations staff with the

best possible safety and security for carrying out their mandates and fully supported his efforts to rethink the entire security system and to make it more effective and sustainable. As a host country which attached great importance to the security and safety of United Nations staff and premises, Switzerland fully assumed its obligations to ensure security outside the perimeter of buildings occupied by international organizations. Through close and regular contacts with the United Nations Office at Geneva, considerable progress had been achieved in recent months, particularly with regard to strengthening security outside the perimeters of the headquarters of the United Nations High Commissioner for Human Rights and of the United Nations High Commissioner for Refugees. All related costs would be borne by the Swiss authorities.

22. The coordinated and comprehensive system-wide approach to security that the Organization needed would require a clear division of labour and the definition of the responsibilities of the various existing and newly created organizational units. Under the supervision of the Directorate of Security, all security components of the United Nations system would have to cooperate to achieve uniformity of security standards and meet the requirements of information gathering and evaluation. Improved coordination and planning were particularly important between Headquarters and field security, between the Directorate of Security and the Department of Peacekeeping Operations, and between the United Nations and funds and programmes and between the United Nations and the host countries. A second core component of United Nations security reform was the professionalization of its security management. Insufficient training of security personnel was one of the shortcomings of the current system. The proposed training activities were critically important for the management of a changing security environment and investments in that area should focus on the long term in order to respond to changing security challenges.

23. Since all changes brought risks and drawbacks, care should be taken to ensure that the proposed new approach did not hamper programme delivery or, as noted by the Secretary-General, lead to a bunker mentality that would result in a loss of credibility with the local population. The issue of security should therefore be addressed strategically rather than technically and globally rather than sectorally. In addition to protection measures, a greater understanding of the sources and motives of threats was essential so that preventive and proactive responses could be developed to address them. Accordingly, it was of paramount importance to strengthen the capabilities for regular risk and threat analysis and assessment.

24. While the Advisory Committee asked some pertinent questions, it was making some recommendations that were perplexing in that they failed to address the new challenges mentioned in the report of the Secretary-General. The Advisory Committee was opposed to the proposal to phase out the cost-sharing arrangement for field-related costs, which was not only a very burdensome arrangement to administer but also resulted in the unacceptable reliance on voluntary funding for the assessed security share of participating agencies. It had also recommended not to approve the post of deputy to the head of the new Directorate, a post which was considered essential for the establishment of the new Directorate. He hoped that the points raised by ACABQ would be discussed further in the informal consultations.

25. **Mr. Musambachime** (Zambia) said that his delegation attached great importance to the agenda item under discussion. As a troop-contributing nation, Zambia welcomed the additional measures proposed in the report of the Secretary-General to protect and reinforce the security of United Nations personnel worldwide. The recent attacks on United Nations personnel had been a vivid reminder that the Organization needed to protect and secure its personnel and assets and pointed to the need for urgent steps to be taken to implement the Secretary-General's recommendations.

26. To manage peacekeeping operations effectively, it was vital for Member States to contribute the resources required. Despite various constraints, Zambia had met its financial obligations to the Organization. His delegation therefore urged all Member States to do likewise. While his delegation recognized that the security of United Nations personnel and property was the primary responsibility of the host countries, it called on the Organization and the international community to assist those countries that were unable to assume that responsibility.

27. His delegation also urged the Secretary-General to continue his efforts to secure timely reimbursement

for troop-contributing countries, some of which were developing countries, so that they could continue to support peacekeeping operations.

28. The security of United Nations personnel and property was a shared responsibility of all Member States and the Government of Zambia would continue to do its utmost to protect United Nations personnel and property in Zambia.

Agenda item 118: Report of the Secretary-General on the activities of the Office of Internal Oversight Services (*continued*) (A/58/785; A/59/359)

29. **Mr. Zellenrath** (Netherlands), speaking on behalf of the European Union, said that the candidate countries (Bulgaria, Croatia, Romania and Turkey), the stabilization and association process and potential candidate countries (Albania, Bosnia and Herzegovina, Serbia and Montenegro and the former Yugoslav Republic of Macedonia), and, in addition, Iceland, Liechtenstein and Norway, members of the European Free Trade Association and the European Economic Area, aligned themselves with his statement.

30. The impact of the recommendations of the Office of Internal Oversight Services (OIOS) had been an average annual total of $16 million actually saved and recovered, a significant amount, but that was still only half the average amount recommended for recovery per year. The Office's critical recommendations — those addressing areas with far-reaching consequences for the Organization's performance — should be fully implemented, or sound reasons should be given why that was not possible. Many such critical recommendations from prior years had not been acted upon (annex II of the report). A stronger follow-up mechanism within the Secretariat was needed to promote the engagement and accountability of senior management. Greater access to a wider range of OIOS reports would also help the Member States to identify areas where progress must be sought.

31. With regard to strengthened evaluation, the European Union welcomed the increasing focus of OIOS on evaluation of activity, but believed that, with the establishment of results-based budgeting in the Secretariat, it was vital that measurable indicators should be complemented by an effective way of judging those results at the end of the period. The format of the programme performance report for the biennium 2002-2003 had indeed improved, as the Committee for Programme and Coordination (CPC) had pointed out, but it could be further simplified by shifting the emphasis away from outputs towards programmatic achievements. The recommendations contained in paragraph 68 of the Office's report deserved support, particularly in the case of the recommendation to align performance assessment with the formulation of programme plans.

32. With regard to investigations, many of the incidents in the report were truly shocking, so the Organization must have the capability to identify and deal with those who abused their positions. The Office was making welcome efforts to build partnerships with other agencies, and plans had been made for the Anti-Fraud Office of the European Commission to conduct a review of the Investigations Division. However, investigations alone would not suffice: the Organization must have the capability and willingness to take action against the perpetrators of such acts. The laxity in that connection pointed out by OIOS and the Board of Auditors was damaging to the credibility of the Organization both externally and to its own staff.

33. The Office-wide review aimed at taking stock of OIOS activities had been useful in identifying some key areas where operational independence could be strengthened, particularly in budget matters. While the Budget Office of the Department of Management had an important role to play in ensuring that individual departments' proposals were realistic and consistent, OIOS should have the independence to submit its proposals directly to the Advisory Committee and the Fifth Committee through the Secretary-General. That was consistent with the practice in other major organizations and was also in conformity with resolution 48/218 B, by which the General Assembly had established the Office. Because the Member States obviously found OIOS reports useful for decision-making, they should have access to a broader range of those reports, although it was important to ensure that proper safeguards were in place in cases where OIOS felt that confidentiality was required. There was no need for the General Assembly to consider all OIOS reports, but such access would help Member States to identify areas where further action was required or where obstacles had appeared. It would also help to improve the timeliness of reports reaching the Assembly for consideration. The European Union was prepared to take decisions at the current session on

those issues of transparency in reporting and budgetary independence.

34. The European Union did not find the external review of the Office proposed by the Secretary-General to be timely, since, pursuant to resolution 54/244, the General Assembly expected the Fifth Committee to take decisions on such issues at the current session. However, the Member States might consider an external review to validate and develop the conclusions of the self-assessment of the performance of OIOS and, crucially, the follow-up within the Secretariat to the Office's work. That might include proposals for establishing the follow-up mechanism already mentioned. In any event, such a review should have clear terms of reference and be conducted by external experts with experience in assessing inspection bodies and the ensuing report should be made available in its entirety to the General Assembly.

35. The Committee also had before it the report of the Office of Internal Oversight Services on its audit of the regional commissions (A/58/785), which contained a number of constructive recommendations, such as the recommendation that the regional commissions' annual/biennial sessions should be harmonized with the submission of the biennial programme plan. The regional commissions had accepted most of the recommendations and were in the process of implementing them. However, the European Union would be interested to know how the difference of opinion with the Economic and Social Commission for Western Asia (ESCWA), which had not accepted the Office's recommendation to review the need for a separate statistics division, would be resolved. Finally, the European Union paid a tribute to Mr. Nair, whose leadership of the Office had established it as a fundamental part of the Secretariat, which was now seen as a partner whose oversight functions were complementary to the management function of the rest of the Secretariat.

36. Mr. Terzi (Turkey), associating his delegation with the statement made by the representative of the Netherlands on behalf of the European Union, said that internal oversight services were important to international organizations, and no longer merely emphasized compliance with rules and regulations, but added value to the work of those organizations and helped them by identifying problems and suggesting potential solutions.

37. His delegation welcomed the action that OIOS had taken over the 10 years of its existence, which showed that the Office was on its way to implementing all the elements of a modern oversight approach. It had had examined the OIOS report with keen interest and expressed satisfaction with its work and the recommendations it had made to improve the Organization's efficiency. It had also noted the savings resulting from the implementation of those recommendations, but emphasized that the success of internal oversight must not be judged solely on that basis, but also on the basis of its impact on working methods and organizational structures.

38. While OIOS had demonstrated remarkable success in adopting contemporary techniques, there was room for further improvement. In an organization as complex and diverse as the United Nations, one of the key requirements for an oversight body was operational independence. His delegation therefore believed that consideration should be given to the proposal to delegate to OIOS the authority to propose and manage its financial and human resources, in the way that authority was delegated to funds and programmes. Reports from OIOS should continue to be transmitted to the General Assembly.

39. His delegation noted with concern that 89 of the 180 posts in OIOS were funded from extrabudgetary resources. It also noted that the inability of the funds and programmes to predict the sums required for investigation services had created budget problems and that inadequacy of resources had had a negative impact on the ability of OIOS to provide monitoring and evaluation. For an oversight body to fulfil its duties independently, it must have stable, predictable and sufficient financial resources.

40. In his delegation's view, the fact that the investigation function had parallel status within the structure of OIOS with the Office's other functions was a potential source of conflict of interest and lack of independence. It would like to know the reason for that situation and thought that the advantages and disadvantages should be assessed in the light of experience.

41. Effective and credible oversight required clear rules and procedures, a transparent structure and a mechanism to enforce the recommendations of investigation reports. It appeared from the report that there was no such mechanism: irregularities revealed

by audits were often not pursued, the punishment usually did not fit the crime, and there was no standard procedure to follow up reports and implement recommendations. A way should therefore be found to streamline and standardize courses of action, to classify the methods of handling different kinds of irregularities and to establish contact in advance with local authorities to ensure their cooperation in cases requiring their intervention. A specific mechanism to coordinate the follow-up to oversight reports and recommendations would increase the credibility and deterrent effect of oversight functions.

42. Field operations were becoming increasingly risky because of their distance from Headquarters, their increasing size and financial volume and the number of their staff. Once risk assessments had been made, oversight coverage should focus on the areas in which expenditure was concentrated. The approach should be planned and systematic, but did not appear to be so. It was difficult to get an idea from the report of the coverage of oversight functions, their concrete targets and the possible implementation strategy.

43. His delegation regarded cooperation among oversight bodies as important, and looked forward to seeing the outcome of collaboration between OIOS, the Board of Auditors and the Joint Inspection Unit (JIU) on a common risk-assessment approach to identify cross-cutting issues and review potential areas for coordinated projects, as well as OIOS collaboration with JIU on proposals for improving the monitoring of programme performance and evaluation.

44. His delegation welcomed the fact that OIOS was developing and enhancing its evaluation, monitoring and management consultancy functions, but that should not compromise its core audit, inspection and investigation functions.

45. **Mr. Repasch** (United States of America) said that the Organization had taken great strides to improve its efficiency, effectiveness and accountability, and had benefited from the implementation of a risk-management framework. His delegation fully supported the risk-based work-planning process used by the Office of Internal Oversight Services and welcomed the Office's personnel management initiatives and the introduction of an electronic working paper system for the auditors which he hoped would soon be implemented throughout the Office.

46. His delegation had been disappointed to observe a relative decline in the number of recommendations implemented. That was of special concern since, as a result of the risk-management initiative, OIOS had limited itself to making recommendations in areas it considered the most pertinent. The effectiveness of the Office relied heavily on the implementation of its recommendations by the funds and programmes of the Organization, which should urgently comply with them. The Office should addressed unimplemented recommendations in its annual report and keep track of its recommendations.

47. Regarding the issue of savings identified and realized, he questioned the appropriateness of comparing the recommended amount of recoveries for the current period to the total actual amount recovered for current and prior periods. That was a controversial issue in the oversight community.

48. He was dismayed to learn that, despite the priority given to the safety of the staff, the Office of the United Nations High Commissioner for Refugees (UNHCR) had not adopted the basic measures necessary to ensure the safety of its staff in the field. Information should be provided on the progress that had been made in remedying those deficiencies.

49. He expressed concern that the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) had not implemented controls to ensure that its rations contractor delivered the full amount contracted for. He wondered whether the Organization had been fully reimbursed for the contractor's poor performance and whether the Mission's oversight controls had been improved.

50. He noted that an investigator from the Office of the Prosecutor of the International Criminal Tribunal for Rwanda had set up his own investigation company, which had received a contract from the Tribunal for work similar to the work the investigator was already supposed to be doing and for which the investigator had therefore made extra money. Given the several other highly visible cases of irregularities at the Tribunal, he asked what progress was being made towards preventing future incidents.

51. The organizational integrity initiative launched the previous year by OIOS had revealed that many staff believed there was not enough accountability for wrongdoing, especially at the higher levels, and that staff reporting such violations risked reprisals. Those

issues needed to be addressed and he would be interested to know how the Secretary-General would do so.

52. He took note of the OIOS investigation of sexual harassment charges against the United Nations High Commissioner for Refugees and another senior manager in his Office. In its report OIOS supported the allegations yet the Secretary-General had decided that the complaints could not be substantiated by the evidence. His delegation would appreciate an explanation of that apparent contradiction.

53. In another case, when allegations of mismanagement and conflict of interest had been raised by staff in the United Nations Office on Drugs and Crime, managers had responded in a threatening manner to those raising the allegations. Such behaviour was unacceptable and was especially egregious coming from managers in the crime prevention programme, whose behaviour should be exemplary.

54. His delegation believed in the critical function played by internal oversight and had a few proposals to offer to strengthen oversight. In order to strengthen the transparency of the Office's work, its reports should be provided to the General Assembly, and in order to bolster its independence, its budget should be independent of the offices that it audited. Finally, in order to strengthen the effectiveness of the Office, the non-renewable term of the Under-Secretary-General for Internal Oversight should be extended from five to seven years.

55. The self-evaluation undertaken by OIOS was very helpful. The proposals appeared sound for the most part, in particular the proposal for budgetary independence, which was consistent with the views of his delegation.

56. He expressed disappointment, however, that an external review of ways to strengthen internal oversight proposed by the Secretary-General had not been proposed earlier so that the Committee could consider it at its current session. He also took issue with the assertion that the Office had not been subjected to any external reviews. In fact, the United Nations Board of Auditors had evaluated the Office regularly as part of its own audit of the Organization's financial statements and, in 1998, the United States General Accounting Office had released a comprehensive review of the Office which had been made available to all Member States. Before taking any decision about the proposal, his delegation would like more information, including information about the composition of the panel of experts, the length and terms of reference of the review and the manner in which the panel would report to the General Assembly.

57. **Mr. Elji** (Syrian Arab Republic) said that the annual report of OIOS should also be considered in the context of an evaluation of the Office's efforts to reform itself. He noted that many of the Office's reports required in-depth consideration but that the General Assembly did not adequately deal with them because many recommendations went beyond the authority of the Office and gave rise to controversy. As for the audit of the regional commissions, he said that the Office's recommendations were certainly logical but included aspects which went beyond a strictly administrative context. They should be reviewed by the States members of those commissions and by the Economic and Social Council.

The meeting rose at 11.15 a.m.

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Chairman: Mr. MacKay .... (New Zealand)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Kuznetsov

Contents

Agenda item 108: Programme budget for the biennium 2004-2005 (*continued*)

Strengthened and unified security management system for the United Nations

Agenda item 118: Report of the Secretary-General on the activities of the Office of Internal Oversight Services (*continued*)

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The meeting was called to order at 9.40 a.m.

Agenda item 108: Programme budget for the biennium 2004-2005 (*continued*)

Strengthened and unified security management system for the United Nations (A/59/365 and Corr.1, and Add.1 and Corr.1, A/59/396 and A/59/539)

1. **Mr. Al-Ansari** (Qatar), speaking on behalf of the Group of 77 and China, said that, in the past, the Group had already emphasized the importance of a comprehensive approach to the safety of United Nations personnel which should produce lasting solutions and that the Administration and the staff must work hand in hand to that end. In order to find effective solutions, it was necessary to establish clear criteria for determining security needs; agree on a framework for the enhancement of security arrangements throughout the United Nations system; decide on precise and realistic time frames for the completion of projects approved by the General Assembly; clearly define lines of accountability and the chain of command right down to those working in the field; clearly define the role and responsibilities of host countries and the status of agreements between them and the United Nations; establish precise global standards for threat and risk assessment; and provide security training for all United Nations staff.

2. The Group of 77 and China considered that the host Government bore the primary responsibility for the safety of personnel. They concurred with the Advisory Committee on Administrative and Budgetary Questions (ACABQ) that the arrangements made with the United Nations were inadequate, since the responsibilities and obligations of the host countries were not always laid down in a legally binding document. They also endorsed the Advisory Committee's view that not all host countries were able to ensure the same level of protection for United Nations staff and premises.

3. The organizations in the United Nations system must pursue their efforts to coordinate security. In that respect, the inter-agency cost-sharing arrangement approved in General Assembly resolution 56/255 should be further developed.

4. **Mr. van der Berg** (Netherlands), speaking on behalf of the European Union, the candidate countries Bulgaria, Croatia, Romania and Turkey, the countries of the stabilization and association process and potential candidates Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia and Serbia and Montenegro, drew attention to the fact that three election monitors had recently been abducted in Afghanistan and said that the United Nations security strategy and structures should be reviewed, so that the Organization could carry out all its mandates, while at the same time mitigating risks without adopting a bunker mentality. It was necessary to increase the number of field security staff, enhance threat assessment and risk analysis capabilities, monitor more rigorously compliance with minimum operating security standards and improve training, within a coordinated approach. Care must be taken to establish clear reporting lines, especially in complex missions where each agency had its own security staff, and to ensure the transparency of security expenditures throughout the United Nations system.

5. The creation of a Directorate of Security as part of a strengthened and unified system should make it possible to manage security in a sound, coherent manner at Headquarters, at all other duty stations and in the field. The European Union was pleased to note the proposal to designate in each country just one official to oversee all the security services and to establish a single reporting line up to the head of the Directorate of Security. It likewise welcomed proposals to tighten security measures at the main duty stations.

6. In its comments on the staffing of the new Directorate, the Advisory Committee was proposing to remove a number of what the European Union considered to be key middle management positions. However, it shared the Advisory Committee's doubts about the working relationship between the new Directorate, the Department of Political Affairs and the Department of Peacekeeping Operations with respect to assessing threats and monitoring compliance with the minimum operating security standards. In that connection, it wished to know what conclusions had been reached by the field security management audit conducted by the Office of Internal Oversight Services (OIOS) and hoped that those conclusions had been taken into account in the current report.

7. The European Union also wished to explore in greater depth the idea of making the Directorate of Security responsible for personnel recruitment and procurement. It welcomed the reassurance that the

proposed standby stock would not constitute a separate logistics base. It would like to be able to compare the respective advantages of the Advisory Committee's recommendation — that no additional personnel should be assigned to administrative support units and that the latter should continue to be split between four separate departments — with the Secretary-General's proposal. It also hoped that other options for increasing training opportunities would be explored.

8. The construction work to secure compliance with the minimum operating security standards at headquarters locations should be examined in the light of the report of OIOS on the utilization and management of appropriations and expenditure authorized by the General Assembly for that work ($56 million and $38 million respectively). The European Union noted that the Secretary-General had called on outside specialists, but that priorities had not been defined and long delays had occurred, especially in Geneva, a point which had been emphasized by OIOS and the Advisory Committee. It required reassurance that, when funds were requested for urgent work, they really were committed with urgency.

9. The European Union sought clarification on the implications of the Capital Master Plan for the proposed global access control system and information and communications technology (ICT) disaster recovery and business continuity plans at Headquarters.

10. The European Union took note of the Advisory Committee's views regarding cost-sharing arrangements. Since, as a matter of principle, the financing of security must be certain and predictable, all organizations should honour their obligations for the co-financing of security in New York and Vienna.

11. **Mr. Rastam** Mohd Isa (Malaysia) said that his delegation associated itself with the statement made by the representative of Qatar on behalf of the Group of 77 and China. It agreed with the Secretary-General's assessment of increasing risks. Attacks were no longer isolated events and were often carried out by non-State actors who respected neither the rules of war nor the rule of law. Security had become a constant concern of United Nations staff dispensing emergency humanitarian assistance or engaged in the performance of other mandates.

12. His delegation welcomed the fact that the General Assembly had authorized an additional appropriation to finance the first series of security measures and it approved of the reforms proposed by the Secretary-General with a view to creating a single unified management system comprising a Directorate of Security, provided that a clear line of authority was defined. Like the Advisory Committee, it hoped that the proposed unified security structure would result in genuine integration rather than merely enhanced coordination and that it would make it possible to avoid duplication and potentially dangerous confusion. It also agreed with the Advisory Committee that the future Director of Security must have the requisite skills and professional experience.

13. His delegation had taken note of the Secretary-General's proposal to phase out the existing cost-sharing arrangements and of the Advisory Committee's observations on the subject. That issue must be closely scrutinized so that agreement could be reached quickly on a financial arrangement to enable the immediate establishment of the new integrated system.

14. His Government called on Member States to continue their collaboration with the United Nations in order to ensure the safety of the Organization's personnel, especially during peacekeeping and peace-building operations. His country, which hosted a few United Nations agencies, would honour its obligations in that regard.

15. **Mr. Kennedy** (United States of America) said that the Secretary-General and the Member States had a shared responsibility to protect the staff of the Organization, and that the United States had consistently supported the creation of a robust security system. However, the security challenge in the field and the inconsistent application of United Nations security measures had always been a problem for the Organization. Since 1992, 220 United Nations staff members from 66 different countries had been killed and 272 had been taken hostage, three of them recently in Afghanistan.

16. The General Assembly had taken a first step in June 2004 by voting a supplementary appropriation that would provide more resources for security. The Secretary-General, with the help of outside security consultants and the expert advice of the Independent Panel on the Safety and Security of United Nations Personnel (the Ahtisaari panel), had proposed a comprehensive, integrated security structure that would take the form of a new department within the

Secretariat; it was the most important proposal he had ever made to the General Assembly. The new department would have responsibility for ensuring the safety and security of approximately 400,000 persons around the world, its activities would be wide-ranging and it would have the capacity to ensure security at all times in every location where the United Nations was present.

17. That unified structure, in contrast to the currently fragmented system, would provide sufficient flexibility to redirect resources, both post and non-post, as needed to manage crises globally. Headed by an Under-Secretary-General, the Directorate of Security would lay a solid foundation and establish clear lines of accountability for decision-making at all levels. Within the Directorate, the Threat and Risk Analysis Unit, which would be in direct touch, through regional desk officers and field security coordinators at all duty stations and missions, with situations on the ground, would provide the Organization with the capacity to respond consistently to situations as they arose locally, be in control of the decisions taken and avoid waste and duplication.

18. His delegation welcomed the proposal to increase the United Nations security presence in the field, which would remedy a fundamental failing of the Organization for some years, a situation due primarily to the paucity of resources made available to the Office of the United Nations Security Coordinator. Host nations bore a significant responsibility for security matters, given the multiplicity of the dangers threatening United Nations personnel, but the Organization could not always depend on a host nation's support and, furthermore, had to preserve its own independence by not ceding its internal security responsibilities to anyone else.

19. **Mr. Aboul Atta** (Egypt) said that his country, which attached huge importance to the security of United Nations personnel, had always believed that the best way to enhance security was to strengthen the Organization's image of neutrality in its various areas of intervention, especially in an international climate marked by deep suspicion between the different participants in multilateral action. Both the Secretariat and Member States had to concern themselves with that aspect of the question and should especially reinforce the relevant activities of the Department of Information. The report of the Secretary-General (A/59/365 and Corr.1) outlining the proposed new security management system prompted his delegation to comment on four points. First, the question of the safety and security of United Nations staff should be approached in a comprehensive and integrated way, on the basis of clear and consistent criteria and precise technical studies. It was not enough to allocate funds and create posts, and there was no room for experimentation in the area of security. It would therefore be interesting to know how the Secretariat had followed up on the General Assembly's requests in paragraph 6 of resolution 58/295, because Member States needed to be adequately informed if they were to take informed decisions on the proposals being submitted to them. As ACABQ had observed, the report of the Secretary-General was not clear about the basic principles and underlying assumptions or the technical standards relied upon to formulate those proposals.

20. Secondly, there was the risk that a new security management system would be set up even as different security structures remained in place, causing ambiguity and preventing the proposed system from clearly defining the lines of command and accountability. The attack on the United Nations premises in Baghdad, in which two Egyptians had died, had unique features that could not be expected to apply in all regions of the world but, thanks to the Ahtisaari report, the event had served to highlight the many shortcomings of security management in the Organization. It was therefore important for any new system to address the problem of those structural shortcomings and establish clear lines of command and accountability.

21. Thirdly, the host countries assumed responsibilities and obligations that had to be clearly defined when it came to the security of United Nations personnel and premises. It would therefore be advisable for the Secretariat to review and update its headquarters agreements with host countries or to conclude such agreements where there were none.

22. Fourthly, the entire international community was in agreement about the political and humanitarian importance of the subject under consideration, and about the general principles that should guide the deliberations. The Committee should therefore ensure that a security structure that was both effective and flexible was set up at Headquarters, without any overlap or bureaucracy. It should also satisfy itself that emphasis was being put on strengthening security in

the field. The paucity of proposed security funds for peacekeeping operations was consequently surprising, as was the absence of any reference to security appropriations in the individual peacekeeping budgets. Under the circumstances, the Committee should make a detailed financial analysis of the resources requested to ascertain if they corresponded to real needs and could not be used for purposes other than security. The Committee should also strike a good balance between judicious allocation of resources and a concern for the best possible results by addressing also recruitment and training policies that would afford the new system the most competent possible staff. Lastly, it must make sure that security measures had the support of both management and staff, and that any new initiative or proposal was backed by detailed technical studies and was approved by Member States, at the same time taking account of similar initiatives or projects and their compatibility with the United Nations Capital Master Plan.

23. His delegation endorsed the statement made by the representative of Qatar on behalf of the Group of 77 and China, in particular concerning the cost-sharing system, the need to ensure that the budgetary appropriations allocated to the new security management system were not drawn from those allocated to the funding of other programmes, and the need for an objective, impartial assessment of the threats and dangers in host countries, in coordination with their competent authorities. Both the Secretariat and Member States were making laudable efforts to strengthen the security of United Nations staff and premises; they must do that in partnership, coming to an agreement on judicious, effective measures and their funding.

24. **Mr. Zhang** Yishan (China), endorsing the statement of the representative of Qatar, said that he wished to make some comments on financial implications. He was pleased with the report of the Secretary-General on a strengthened and unified security management system for the United Nations, a matter of paramount importance.

25. His delegation hoped that the proposed new Directorate of Security would prove to be an efficient department, with a lean staff and a simple organizational structure in which lines of accountability were clearly defined. There should be a well-defined division of labour in the three proposed Divisions within the Directorate and they should work according to the principle of accountability. The Secretary-General was proposing a total of 190 additional posts, 88 of which were Security Service posts. His delegation believed that an increase in the number of Security Service posts was in order, so as to have more of a balance with the administrative support posts, and it asked the Secretariat to explain what functions the new posts entailed in order to help delegations assess the need for them.

26. The observations and recommendations of the Advisory Committee in its report (A/59/539) on the report of the Secretary-General were most helpful. His delegation noted with particular interest the ACABQ suggestion that the new Under-Secretary-General post for the head of the proposed Directorate of Security should be offset by abolishing the existing Assistant Secretary-General post. Member States had already appropriated security resources amounting to $173,809,300, $68,528,500 of which were for posts and $46,270,900 for improvement of premises. The additional requirements of $97,074,200 sought by the Secretary-General would increase the total security resources to $270,883,500, including the addition of 744 new posts and 34 conversions. His delegation would review the Secretary-General's proposal carefully.

27. The current cost-sharing arrangements reflected well the shared responsibilities of all participating agencies of the United Nations system and should therefore be maintained. It should be emphasized that at every duty station, including United Nations Headquarters, the host country was responsible for providing the necessary protection outside the perimeter of the United Nations premises, and the Secretariat had to collaborate more closely with host countries on that point.

28. **Mr. Ugarte** (Costa Rica) said that his delegation associated itself with the statement made by the representative of Qatar on behalf of the Group of 77 and China. The staff of the Organization and their families must be able to count on a modern and effective security system. The tragic events which had given rise to the debate made protection an absolute priority for the Secretary-General and Member States. Consideration of the issue must lead to structured, effective, rational and responsible measures.

29. His delegation welcomed the recommendations of the Advisory Committee (A/59/539) and noted that the

security-related projects introduced in recent years had not been part of a comprehensive strategy aimed at reducing the vulnerability of the Organization's staff and infrastructure to acts of terrorism. It believed that the recommendations of the Secretary-General (A/59/365 and A/59/365/Add.1) contained concrete elements which might provide a starting point for an in-depth study, but regretted that they were selective in approach and lacked a basic framework, workload statistics and information regarding the extent to which requests for equipment and materiel were based on objective technical standards. As for a possible worldwide approach to the security programme, the resources allocated should be used for security in the field rather than for headquarters locations.

30. In order to eliminate a disturbing problem, the Organization must conclude legally binding contracts with host countries which were largely responsible for security, contracts that clearly defined the responsibilities of the Governments concerned and the mechanisms for cooperation between them and the offices established in their territory. That would make it possible to utilize data based on experience and resources rationally, improve planning and reduce expenses.

31. Standardized job descriptions for security personnel, particularly in the Professional and higher levels, the staffing table, the areas of responsibility and opportunities for the transparent and rational reassignment of staff must be clearly defined. To do so, the Organization must use the human resources management tools already at its disposal. The proposal to establish a Directorate of Security required further explanation. Rather than providing such an entity with independent support units, it would be preferable to integrate it into the existing structure. Duplication must be avoided.

32. With regard to information and communications technology security, his delegation supported the principle of a review of needs prior to the acquisition of material and the recruitment of staff, and it hoped that available resources would be used. The global access control system should be studied in detail and duly justified, and should be part of the comprehensive security strategy, along with studies on vulnerability and risk evaluation, which must be staggered so that the recommendations arising therefrom could be funded in a rational manner. The current cost-sharing system should be maintained. The inclusion of all costs in the regular budget would, in fact, have implications for national budgets.

33. Member States must act in a responsible and transparent manner and refrain from entering into commitments that they could not honour. Costs relating to the security project were enormous for countries such as Costa Rica, which welcomed any proposal aimed at reducing the amounts needed. Member States would endeavour to provide financial support for the launching of the process aimed at strengthening security within the Organization. The Secretariat should submit a comprehensive strategic framework and make a particular effort to avoid any further delays or gaps in the planning and management of projects. The budgetary obligations of the Organization were greater than Member States' capacity to pay and any new proposal must therefore be reviewed in depth.

34. **Mr. Abbas** (Pakistan) supported the statement made by the representative of Qatar on behalf of the Group of 77 and China and paid tribute to the staff members who had lost their lives in the line of duty. Given the large number of staff members, peacekeepers, United Nations Volunteers and humanitarian personnel working in hazardous conditions, it was the right time to look into the future security requirements of the Organization systematically. As the largest troop-contributing country, Pakistan attached great importance to the strengthening of the safety and security of United Nations personnel and premises. Pakistan had lost 82 peacekeepers, including 15 in air accidents, and hoped that the issue of air safety would be given high priority under the new security management system.

35. His delegation took note of the progress made in the first phase of the security reforms and endorsed the Secretary-General's proposal that the disparate elements of a defective, fragmented and excessively complex system should be amalgamated into one cohesive entity. It hoped that the new unified management system would restore the confidence of the staff, which had been shattered after the tragic incident in Baghdad, and he was convinced that Member States would take all appropriate measures to meet the Organization's security needs. He agreed that the new unified Directorate of Security should be headed by a competent professional at the Under-Secretary-General level.

36. His delegation attached great importance to ensuring the protection of United Nations staff and premises around the world, but believed that the new system should focus primarily on operations in the field, where vulnerability and risk were the greatest, without neglecting the needs of the headquarters locations. System-wide policies, procedures and standards relating to field and headquarters needs should be developed and security staff should be trained accordingly. He expressed great concern that the Organization had generally been unable to finalize security arrangements with host Governments, which bore the primary responsibility for the security of personnel. The Organization must work closely with national law enforcement authorities; that would ensure the protection of the United Nations staff and premises and also reduce costs.

37. His delegation noted the Secretary-General's proposal regarding the phasing out of the current system of cost-sharing which was administratively cumbersome and dependent on voluntary contributions that were by definition unpredictable. The system of cost-sharing could, however, be made more effective through regular coordination and consultation with the participating agencies. In that connection, he noted the comments and recommendations of the Advisory Committee. The financial situation of the Organization had been unstable for several years and there did not appear to be any hope of a dramatic improvement unless the Member States most in default paid their arrears without further delay. The existing cost-sharing arrangements should, however, be maintained; that would reduce costs and deepen the sense of collective responsibility. The Secretariat should therefore submit to the Committee a report on inter-agency coordination with a view to promoting collective responsibility for enhanced security. His delegation supported the Secretary-General's reform package and hoped that the Committee would expeditiously finalize the second phase of security measures in the light of the views and recommendations of the Advisory Committee.

38. **Mr. Geete** (India) said that his delegation aligned itself with the statement made by the representative of Qatar on behalf of the Group of 77 and China. Replying to the Secretary-General's comment that the United Nations had been perceived as a neutral, benevolent actor for the first half-century of its existence (A/59/365), he said that the greatest contribution that the Organization could make to its own security was honest self-criticism. He warned against the notion that money and posts could buy security. Moreover, it had become clear that the attack in Baghdad was partly attributable to non-adherence to security regulations and directives. The two principles relating to the security of the Organization must be adherence to basic regulations and directives and the strict enforcement of accountability.

39. His delegation placed the utmost importance on the safety and security of United Nations staff and premises. In paragraph 30 of his report, the Secretary-General acknowledged that the United Nations system did not have the ability to conduct security threat and risk assessments or timely and comprehensive follow-on planning. He recalled the piecemeal approach described by the Advisory Committee in paragraph 15 of its report (A/59/539). The unified security management system, mentioned by the Secretary-General in document A/58/756 had characteristics that did not suggest an integrated structure: the potential for duplication in that a separate unit of the Directorate of Security would be located within the Department of Peacekeeping Operations, while the specialized agencies and United Nations funds and programmes would continue to ask for separate appropriations to finance their own structures.

40. In the absence of genuine integration, neither the reclassification of posts nor the creation of additional management tiers would improve security, nor would assigning to the Directorate of Security posts that already existed in the Budget Office and the Procurement Division. It had been clear that the most pressing need was for security personnel in field locations. However, out of the 778 posts requested, nearly 400 were proposed for Headquarters and the other main offices, with over 200 posts being proposed for New York, Geneva and Vienna alone. On the other hand, no new resources had been proposed for peacekeeping operations, on the grounds that they had benefited under phase I, despite the fact that new operations had been launched and existing operations had been expanded. His delegation would like information on that matter.

41. Most host country agreements, many of which had been drawn up as early as 1946, had never been updated and did not specify the exact responsibilities of those countries vis-à-vis the safety and security of United Nations personnel and premises. In some cases, those agreements were not in the form of legally

binding documents. The Secretary-General's report made no mention of what he proposed to do to ensure that host countries assumed their responsibilities. His delegation strongly supported the Advisory Committee's recommendation regarding cost-sharing (A/59/539). The problems cited to justify the proposal to do away with the existing arrangements could be overcome through better inter-agency coordination; the retention of cost-sharing would encourage a sense of common ownership and favour a move towards a truly unified structure.

42. In view of the financial implications of the Secretary-General's proposals — approximately $300 million over each of the coming two bienniums (nearly 10 per cent of the regular budget of the United Nations) — the continuing nature of the resources sought, and the system-wide nature of the appropriations, his delegation suggested that a separate account should be established for the financing of security. That would enable the General Assembly to monitor more effectively appropriations, which were currently spread over many sections of the budget, and the payment of assessed contributions. Contrary to what the Secretary-General had indicated, the President of the Coordinating Committee of the International Staff Unions and Associations of the United Nations, in her statement on 28 October, had levelled serious criticism at the proposals and had stated that the restructuring of the security management system had been undertaken without consultation with staff representatives.

43. **Mr. Kumalo** (South Africa) said that his delegation associated itself with the statement made by the representative of Qatar on behalf of the Group of 77 and China. An attack against the United Nations was an attack on the collective efforts of Member States to promote peace and to improve the living conditions of the most unfortunate. The General Assembly had repeatedly condemned attacks on the personnel and property of the United Nations; those words must now be backed by actions. Member States had a collective responsibility for the safety of the brave and committed staff members, some of whom had sacrificed their lives for the Organization.

44. The insecurity of persons whose basic needs were not met could become a serious cause of instability and conflict. The United Nations must maintain a presence in the field to assist them. Member States must, however, ensure that staff members were able to perform their tasks in a secure environment, and should take that obligation into consideration in the Organization's support budget.

45. When considering the budget outline for the biennium 2006-2007, it was important for Member States to recognize that, in order to ensure a unified security management system and to improve security for special political missions and peacekeeping operations, the budget level could not remain unchanged. Despite the budgetary constraints of recent years, the United Nations had never ceased to serve Member States. It was imperative that they should provide the necessary resources for the coming biennium, in view of the expansion of mandates and the need to protect the Organization's personnel and premises. Whether or not the United Nations was able to fulfil its mission without resorting to extrabudgetary funds depended on the political support of Member States. His delegation recognized that the protection of United Nations personnel and premises was the responsibility of host Governments, but it believed that those with insufficient resources should be helped. During the informal consultations, it would seek clarifications regarding the Secretary-General's proposals and the impact of the Advisory Committee's recommendations.

46. **Mr. Al-Eryani** (Yemen) said that his delegation supported the statement made by the representative of Qatar on behalf of the Group of 77 and China. Until recently, the United Nations and its staff had been sheltered from wars, and spared from the kind of attacks that occurred in conflict situations in many parts of the world. In word and in deed, the Organization had been, and continued to be, the impartial mediator in such conflicts, whether or not they were violent. Regrettably, however, things had changed and many staff members had been killed by persons who feared neither God nor man in various war and conflict zones.

47. The peoples of the world were aware of the importance of the United Nations and of its role. The danger, however, was real and the time had come to grapple with ways of protecting the Organization and its staff. His delegation welcomed the proposals contained in the reports of the Secretary-General regarding the establishment of a stronger and more unified security management system for all those who worked for the Organization. How could the United

Nations establish peace and security in the world if its own agents were not secure?

48. **Mr. Requeijo Gual** (Cuba) said that his delegation associated itself with the statement made by the representative of Qatar on behalf of the Group of 77 and China. His Government attached great importance to the protection and security of United Nations staff and premises, and supported the adoption of measures that would enable it to improve its activities under acceptable security conditions. His delegation was aware that the Organization's staff was its most valuable asset and that motivated and respected staff members were in a better position to serve Member States, and it would closely consider the proposals made under various agenda items concerning their security and living and working conditions. A victim of terrorism — and of State terrorism for more than 40 years — Cuba fully understood the suffering caused by the attacks against United Nations staff members, and reaffirmed the need for international cooperation to combat the scourge.

49. Security and stability in developing countries were linked to economic growth and sustainable development; in that regard, the United Nations played a crucial role. More resources should therefore be allocated to development activities, including the appropriations in the regular budget. His delegation was opposed to the financing of a security system with resources from other unrelated sections and programmes in order to carry out arbitrary zero-growth policies which were not backed by the General Assembly and were contrary to the spirit of resolution 41/213 and subsequent resolutions.

50. With respect to the proposals put forward in the Secretary-General's report (A/59/365 and Add.1), his delegation shared the view expressed by the Advisory Committee in the first sentence of paragraph 15 of its report (A/59/539). Furthermore, it would like a more precise idea of the total budget that would be needed for the current biennium, as well as for the next. In fact, estimated expenses for special political missions were not covered, and paragraphs 36 and 43 of document A/59/365/Add.1, for example, suggested that other expenses would be added to the estimates indicated in annex V.

51. His delegation favoured the establishment of a unified management system, but noted that the proposed project seemed to waver between centralization and decentralization, included structures that duplicated existing units, and was not conducive to integration. It was essential to avoid duplication, which was wasteful. It agreed with the Advisory Committee that the security system should place priority on sites other than headquarters locations. It feared that the importance attached to the question of security did not favour the creation of many new posts, including senior posts which seemed to have no justification. It noted the increase in the arrangements for unforeseen and extraordinary expenses. It favoured retaining the cost-sharing system, because it believed that the security and safety of staff members and premises was the collective responsibility, including the financial responsibility, of all organizations in the United Nations system.

52. **Mr. Chun** Yung-woo (Republic of Korea) said that his country shared the Secretary-General's deep concern for the safety of the men and women serving the United Nations around the globe. Providing the best possible safety and security for all United Nations personnel was not only a prerequisite for the successful performance of their duties but also a fundamental obligation of the Secretariat and the Member States. The deteriorating security environment had created an urgent need to strengthen the Organization's security system. His delegation respected the Secretary-General's judgement as to the resources required for restructuring the system. It also supported the basic direction and thrust of his reform plan designed to protect United Nations personnel against new threats.

53. Strengthening the role and the responsibilities of host countries in protecting United Nations personnel and premises imposed a need to review and, if necessary, update the agreements signed with them decades earlier. Additional United Nations resources must be allocated as a matter of priority to high-risk areas where the host countries lacked the means to provide adequate protection. His delegation also supported the proposal to amalgamate the four existing security structures into a single Directorate in order to increase the overall operational efficiency. However, it was not clear why such restructuring required 754 new posts. In any event, in view of its staffing numbers the Directorate should be headed by an official at the Under-Secretary-General or Assistant Secretary-General level.

54. The proposal to create, away from Headquarters, integrated security teams to reinforce the security of

field offices and protect their staff was acceptable, as was the emphasis on the importance of coordination and information-sharing with other organizations of the United Nations system which would continue to manage their own security. The Advisory Committee had noted in that regard that the phasing out of the current cost-sharing arrangements would increase the cost of security to the Member States by the substantial sum of $30 million. His delegation could not take a position on that question without further information. Resource predictability was, of course, a good thing, but the additional costs to the Member States would be worthwhile only if they were translated into enhanced security. If a better partnership with the other organizations of the system and better management of cost-sharing produced savings in the order of $3 million, it might be wise to have second thoughts about phasing out cost-sharing.

55. The investment of additional human and financial resources was indeed inevitable, but there was no substitute for professionalism on the part of security personnel; hence the vital importance of intensive training. Some issues required further examination with a view to ensuring that each step taken would improve security in all the locations where the United Nations was present.

56. **Ms. Adiwoso Asmady** (Indonesia) said that her delegation associated itself with the statement made by the representative of Qatar on behalf of the Group of 77 and China. It was essential to modernize and improve the United Nations security management system by unifying it, for some elements of the system called for urgent review. Such elements included shortage of personnel, limited monitoring and threat-assessment capability, and the system's fragmentation. However, the proposal to merge the existing structures into a new Directorate of Security must be examined closely.

57. If Directorate of Security, which would have more staff than the current system, was to deliver better coordination of security matters, the responsibilities of the various stakeholders must be clearly demarcated and complement each other, and the chain of command must be well designed. The Directorate's personnel would certainly have to have the necessary expertise for reviewing the recommendations made by security officers in the field, who would themselves enjoy the support of the relevant host-country authorities.

58. The coordination among the United Nations agencies, funds and programmes would have to be improved, and in that regard careful thought must precede any move to phase out the cost-sharing arrangements.

59. **Mr. Tal** (Jordan) said that his delegation endorsed the statement made by the representative of Qatar on behalf of the Group of 77 and China. The new situation, in which the Organization was no longer either protected by its flag or simply a peripheral victim of terrorism, made it necessary for the Member States to deal with the issue of the security of the United Nations and its personnel in a responsible, comprehensive and integrated manner. His delegation fully endorsed the reasons cited by the Secretary-General to justify the reform of the Organization's security management system at Headquarters and in the field, for the existing system was cumbersome, lacked sufficient staffing, coordination mechanisms and clear reporting lines and was, at times, ineffective in providing the necessary level of security. That being the case, the Secretary-General's proposals prompted four main comments.

60. First, the Organization must equip itself with the means of obtaining accurate information about the threats and making proper analyses of the likelihood of their realization. Second, the collaboration with host countries must be maintained, formalized and strengthened. Host countries must discharge in a continuous and sustained manner their responsibilities with respect to the protection of the premises and personnel in their territory. Third, the concern to provide the security function with predictable resources was understandable, but all those responsible for that function must shoulder the financial burden for performing it. The cost-sharing arrangements must therefore be maintained but simplified and streamlined in order to ease the burden of their administration. Fourth and last, the proposal to create a new Directorate of Security was a first and important step towards unification of the command structure of the United Nations security services but, while it would establish reporting lines and the division of labour, it would also create a multiplicity of layers and units which might lead to problems that were difficult to foresee. There was a need for a closer look at the relationships between the proposed security bodies. Jordan, which had been in the forefront of the fight against terrorism, believed that only a collective

approach could ensure the safety both of the Member States and of the people whom they delegated to carry out United Nations mandates.

61. **Mr. Terzi** (Turkey) said that his delegation aligned itself with the statement made by the representative of the Netherlands on behalf of the European Union. The Organization was entrusted with increasingly complex, diverse and geographically dispersed tasks, including the attainment of the Millennium Development Goals. It now had to cope with serious problems relating to the security of its premises and personnel which might prevent it from carrying out its activities. The Secretary-General had recalled that truth in his report and had accordingly made the issue his first priority.

62. Three questions arose. Firstly, was there an increasing security threat? Since 1992, 218 civilian staff and several hundred peacekeepers had lost their lives, and three international staff members had been taken hostage just a few days earlier. And the risks could only increase with the expansion of United Nations operations. Secondly, was the current security structure adequate to address the problem? All the United Nations and independent experts who had assessed the structure had concluded that it was weak, fragmented and ineffective and had systemic problems, not least with respect to critical tasks such as policy formulation and threat assessment. Lastly, if the current structure was inadequate, what could be done to solve the problem? The Secretary-General had put forward proposals to that end which had been approved by all the organizations of the system and by the Federation of International Civil Servants' Associations. The proposals were also discussed in an ACABQ report. Despite the differences of opinion among Member States, it was particularly important to establish a unified and integrated management system with clear procedures and well-defined responsibilities which covered, among other things, policy formulation and threat assessment and facilitated both the correct allocation of resources and timely responses to new threats.

63. The situation was urgent and called for swift action. The first need was to agree on the general framework, the principles and the broad structure in order to set the project in motion immediately. The key appointments should be made quickly so that experienced and professional managers could get down to work and in so doing come up with new ideas which would help to fill in the details of the project, if necessary. The crucial importance of the issue for the very existence of the Organization and its Members rendered swift action essential.

64. **Mr. Simancas** (Mexico) said that the question of the security of United Nations personnel was a priority for Mexico, which had worked hard as a member of the Security Council for the adoption of resolution 1502 (2003), which, inter alia, requested the Secretary-General to address the question in all his country-specific reports. His delegation was anxious that decisions should be taken in full knowledge of the facts and therefore regretted the statement in the ACABQ report that the Secretariat acknowledged that it did not yet possess the capability to conduct security threat and risk assessments and timely and comprehensive follow-on planning on either a global or a country-level basis. As a result, the proposed system had been formulated on a piecemeal basis and it had not been made clear whether the requests for material and equipment were based on objective technical standards.

65. His delegation believed, like the Secretary-General himself and other delegations, that the primary responsibility for ensuring the safety and protection of United Nations personnel rested with the host countries. It noted from the annex to the Secretary-General's report the proposed security improvements at the United Nations premises in Mexico City, including the installation of blast resistance film on windows. It was ready to collaborate in that operation with the Secretariat and the field offices, especially with regard to the exchange of information.

66. The host-country agreements must be reviewed and updated without delay. He commended Switzerland for making arrangements to ensure the security of the premises of the United Nations High Commissioner for Human Rights and of the United Nations High Commissioner for Refugees and it invited the other host countries to follow the Swiss example.

67. **Mr. Gillerman** (Israel) said that his country attached great importance to the strengthening of security of United Nations staff, premises and infrastructure. Terrorists clearly now believed the Organization to be a legitimate target. The attack on the United Nations headquarters in Baghdad was clearly part of a worldwide trend, and the abduction of the United Nations electoral workers in Afghanistan was another dangerous signpost. Strong and decisive

measures were needed if the Organization was to fulfil its mandate.

68. The Secretary-General's proposal was, as he himself had said, the most important initiative he had ever placed before the General Assembly. His report described the measures that must be taken, principal among them the unification of the various security structures through an integrated directorate; the establishment of a robust central capacity that would allow effective decentralization of security work at the country level; and the strengthening of the security system worldwide. Israel attached particular importance to the creation of a threat and risk assessment capability within the new Directorate of Security and believed the regular budget to be the appropriate funding source for the Secretary-General's initiative. It was to be hoped that, with due account taken of the contributions of ACABQ, the informal consultations would help to find a balance between the urgency of action and the upholding of structural and financial efficiency and cost-effectiveness. The logistics employed towards that goal must be efficient and avoid politicization.

69. Israel lent its strong support to the Secretary-General's initiative and was prepared to offer its experience to the new directorate. Inadequate attention to the security of United Nations field workers would destroy any possibility of the Organization playing an effective role in conflict areas.

70. **Mr. Torres Lépori** (Argentina) said that his delegation associated itself with the statement made by the representative of Qatar on behalf of the Group of 77 and China. Security had become a matter of high priority since the United Nations had become the target of extremists. That unprecedented situation called for an in-depth review of security measures, emphasis on prevention, the development of suitable crisis management and the adoption of a more dynamic approach than in the past. The report of the Secretary-General contained proposals that warranted consideration on the basis of the Advisory Committee's observations and recommendations. The cost-sharing formula had had its uses, but his delegation was prepared to work towards updating it. A long-term perspective for addressing the new challenges posed by security needs must include the establishment of a rigorous framework of responsibility and accountability. The protection of United Nations staff was an objective to which Argentina was deeply attached.

71. **Ms. Baroudi** (Morocco) said that her delegation associated itself with the statement made by the representative of Qatar on behalf of the Group of 77 and China. Any efforts aimed at ensuring the security of the United Nations could not but contribute to the strengthening of international security. Such efforts must not be limited to the perimeter of the premises occupied by the agencies concerned.

72. Her delegation welcomed the creation of a special directorate and hoped that it would bring together all existing security services and so help to harmonize security management in United Nations agencies. It was necessary to ensure the closest possible coordination between the new directorate and the Department of Peacekeeping Operations and to address certain specific needs of the host countries. Morocco felt strongly that responsibility for ensuring the security of United Nations personnel lay with those countries and that it should be the subject of legally binding texts.

73. **Ms. Bellamy** (Executive Director of the United Nations Children's Fund), speaking on behalf of the Executive Committee of the United Nations Development Group, comprising four agencies: the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA), the World Food Programme (WFP) and the United Nations Children's Fund (UNICEF), said that the Group completely endorsed the remarks the Secretary-General had made to the Committee on 1 November on the subject of security. The staff members of the four agencies concerned were talented and committed. They could accept that their work might be difficult and even carried out in hostile conditions, but not that they should be the targets of acts of violence, sometimes murder. Since 1 January 1992, 219 civilian staff members had lost their lives, 83 of them from the four agencies for which she spoke. Since 1994, there had been 81 cases of abduction involving 278 United Nations staff members. The rate of occurrence of violent assault, rape and vehicle hijacking was increasing every year.

74. Following repeated requests to the Secretary-General from the General Assembly, measures had been taken to improve security management and strengthen field protection. Since 2000, several teams

of independent experts had reviewed the existing systems in order to note the shortcomings and propose remedial action. That lengthy and rigorous process had resulted in the Secretary-General's proposal, which had the firm support of the four agencies belonging to the Executive Committee of the United Nations Development Group. The system envisaged would guarantee unified, professional and robust security management. The various components were set out in detail in the documents submitted to Committee members. Inasmuch as they had been developed through a professional and well-thought-out process, it would be pointless to attempt to micro-manage them.

75. The proposed package had a significant cost, but the $97 million requested was a relatively modest sum, given the mandates of the agencies concerned, the importance of the development and emergency programmes, the total staff of over 100,000, plus their families and other dependants, and the field offices in some 160 countries.

76. The four agencies concerned also endorsed the proposal to do away with the cost-sharing arrangements used to fund field security operations to date. The cost entailed in financing security, a sine qua non of United Nations operations, was necessitated in part by the political nature of the Organization and must be part of its core budget. The current arrangements were cumbersome and would leave critical security needs subject to the fluctuations of voluntary contributions. To maintain them would oblige the agencies concerned to cut down on their core activities.

77. As the Secretary-General had pointed out, the time had come to update the United Nations security system. That was the view shared by the staff and by the specialists who had reviewed the issue at length.

78. **Mr. Kramer** (Canada) observed that numerous delegations subscribed to the idea that all the parties concerned with field security must be involved in the system and that, to that end, the principle of cost-sharing must be maintained; otherwise the funds and programmes might be tempted to use savings to maintain or establish different systems. He would like to hear Ms. Bellamy's position on that point.

79. **Ms. Bellamy** (Executive Director of the United Nations Children's Fund), replying to the question put by the representative of Canada, said that the cornerstone of the field security system must be the security management team, whose members, being on the spot, were best acquainted with the situation, as the Secretary-General had acknowledged in his report. It was essential to take that team's views fully into account. It was recommended that the team should meet on a regular basis, that all its members should have received security training and that the head of the team should have experience of emergency operations. The matter of funding the activities was relatively less important. That being so, the agencies that belonged to the Executive Committee of the United Nations Development Group were firmly convinced that the costs of security must be drawn on the United Nations regular budget. For their part, they would continue to incur the expenditure needed to protect their staff. They had not established parallel field structures, but collaborated closely by exchanging information and rendering services to one another. They depended on donors to finance their security expenditure and if those donors did not respond to their appeals, they had no choice but to take the necessary funds from core resources. They had an obligation to protect their staff.

80. **Ms. Bertini** (Under-Secretary-General for Management) observed that the establishment of a reliable security system had met with the general approval of Committee members. The Organization was in fact morally responsible for protecting its staff. She would reply during the informal consultations to the questions concerning the various components of the Secretary-General's proposal, which he himself considered to be his most important since becoming head of the Secretariat.

Agenda item 118: Report of the Secretary-General on the activities of the Office of Internal Oversight Services (*continued*) (A/58/785; A/59/359)

81. **Mr. Kramer** (Canada), speaking also on behalf of Australia and New Zealand, said that the annual report of the Office of Internal Oversight Services (OIOS) amply illustrated once again how important the Office's independent work was for Member States' confidence that their contributions were well used. However, there was a need to improve the mechanisms for the systematic follow-up of the recommendations made, many of which had not been acted upon.

82. The OIOS internal audit should expand the attention it devoted to safety and security issues. The degree of non-compliance found in UNHCR field

operations was disturbing. Information should be supplied on how that situation would be remedied.

83. Information technology was a high-risk area. It had been disheartening to read in the Office's report of the continuation of piecemeal approaches to the development of systems in the Department of Peacekeeping Operations, a sign that the impediments to the formulation and implementation of a system-wide information technology strategy had not been overcome. The delegations on whose behalf he was speaking had already made known their disappointment at the slow pace at which OIOS had developed its audit capacity in that field.

84. The internal audit of peacekeeping operations also needed to be developed. The problems relating to the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) illustrated the importance of proper control mechanisms. It would be interesting to know what OIOS had learned about how accountability worked in such missions and whether it conducted similar work in special political missions.

85. It was essential that the outcomes of investigations should be acted upon. He would like to have further details on that subject, especially on the steps being taken to address the perception found in the integrity survey that accountability was unevenly distributed. He would also like to be apprised of the finding of the investigation of allegations of the sexual exploitation of young girls by military mission members in the Democratic Republic of the Congo.

86. He thanked the Office for its much improved programme performance report for the financial period 2002-2003, for its contribution to the improvement of conference management and for its work on regional economic commissions. The Office's observations about the contribution made by regional advisers would be helpful to delegations when they came to examine the technical cooperation programme.

87. The Secretary-General was proposing to entrust a comprehensive independent review of OIOS to an independent panel, but had not made it clear exactly what he had in mind or what problem needed to be solved. It could be useful to examine the way in which fundamental functions such as internal audit and investigation were done and the resources needed. However, there should be a more focused formulation of a possible review.

88. An independent review should also address the adequacy of the manner in which OIOS findings and recommendations were acted upon. The Office reported directly to the General Assembly. It was hard to contemplate change in that element outside a context of broader governance reform that would ensure that internal oversight findings and recommendations would be acted upon systematically. The priority of the reform should be to enhance transparency and strengthen the Office's independence. The United States delegation had outlined interesting ideas on those issues.

89. **Mr. Xudong** Sun (China) said that his delegation associated itself with the statement made by the representative of Qatar on behalf of the Group of 77 and China. He commended the Under-Secretary-General for Internal Oversight Services and his team on the excellent work they had done over the years. Between 1 July 2003 and 30 June 2004, the Office had issued 1,515 recommendations for improving internal oversight and removing underlying obstacles to efficiency, of which 52.3 per cent had already been implemented. Of the 473 critical recommendations, 33 per cent had been for improved administration and management, and 49 per cent for improved operational effectiveness and efficiency. It was to be hoped that they would be carefully studied and implemented by the departments concerned as soon as possible.

90. In paragraph 8 of its report, OIOS stated that those recommendations should afford the Organization savings or recoveries totalling $16.4 million and that recoveries during the reporting period had totalled $26.6 million. The average amount of annual savings recommended by OIOS over the past 10 years had averaged $31 million, a precious gift to Member States.

91. The Office had highlighted many weaknesses in procurement controls. One alarming situation, described in paragraph 22 of its report was that, owing to the contractor's shortages, in most MONUC contingents stocks of combat rations had been below the 14-day requirement. The Secretariat should clarify the measures taken to ensure stricter implementation of the rations contract.

92. There were also weaknesses in the financial management of peacekeeping operations. As pointed out in paragraphs 34 and 35 of the report, the MONUC daily troop-reporting system and the system used to calculate monthly payments were unreliable. His

delegation was proposing to request information in writing from the Secretariat on the daily troop-strength and attendance record for any given month before 1 July 2003 on a random basis, and for a detailed report on areas of financial management that needed improvement. He was dismayed that the United Nations Mission in Ethiopia and Eritrea had been the victim of a $1.1 million fraud involving abuse of the telephone system. The Department of Peacekeeping Operations must enjoin the Mission to disclose the exact amount recovered thus far.

93. The self-evaluation carried out by OIOS spoke for itself and pointed out the future direction of its work. Its recommendations would help to improve the functioning of the Organization and should, in principle, be reduced over time.

94. **Ms. Zobrist Rentenar** (Switzerland) commended the Under-Secretary-General for Internal Oversight Services and his staff, who had taken various initiatives over the years to reorganize and strengthen OIOS. Section III of its annual report contained a very useful self-assessment of its activities, undertaken with a view to assisting the General Assembly in its five-year evaluation of the Office's activities. The Office should implement those proposals concerning internal management which did not need approval by the General Assembly, on the understanding that the others would be discussed. The Office's budgetary independence needed to be strengthened, the term of office of its head extended, and a coordination mechanism set up to review the status of implementation of oversight recommendations.

95. That latter issue was of particular importance to her delegation. Many United Nations agencies and governmental organizations had an oversight or audit committee to ensure that oversight resources were efficiently used and that the recommendations of oversight bodies were implemented by programme managers. Those committees also served as issue-resolution forums to reconcile differences between managers and auditors. They reported directly to the head of the organization and most were composed of high-ranking officers of management who were usually not major oversight clients.

96. Should it be considered preferable not to set up a new structure, the task could be entrusted to the Accountability Panel. Established in 2000 to ensure that the Secretariat addressed the findings of its oversight review bodies from a systemic perspective, it had not met since the autumn of 2001. Its mandate was broader in scope than that of an oversight committee, since it also dealt with questions relating to the delegation of authority and the administration of justice.

97. Her delegation was not convinced of the usefulness of entrusting an in-depth review of the functioning of OIOS to an outside panel of experts, as the Secretary-General had suggested. The United Nations Board of Auditors and the United States General Accounting Office had already carried out that type of evaluation in the past. It would also have been preferable to have received the proposal well in advance of the time the General Assembly was to take up the review of the mandate of OIOS. However, her delegation would not oppose such a study once it obtained further details on the terms of reference and composition of the panel. Another of the panel's tasks could be to look into the question of an appropriate follow-up mechanism.

The meeting rose at 12.30 p.m.

United Nations

A/C.5/59/SR.21

General Assembly

Fifty-ninth session

Official Records

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Fifth Committee

Summary record of the 21st meeting
Held at Headquarters, New York, on Friday, 5 November 2004, at 9.30 a.m.

Chairman: Mr. MacKay .... (New Zealand)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Kuznetsov

Contents

Agenda item 17: Appointments to fill vacancies in subsidiary organs and other appointments

(b) Appointment of members of the Committee on Contributions

(c) Confirmation of the appointment of members of the Investments Committee

(e) Appointment of members and alternate members of the United Nations Staff Pension Committee

(a) Appointment of members of the Advisory Committee on Administrative and Budgetary Questions

(f) Appointment of members of the International Civil Service Commission

(d) Appointment of members of the United Nations Administrative Tribunal

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The meeting was called to order at 9.45 a.m.

Agenda item 17: Appointments to fill vacancies in subsidiary organs and other appointments

1. **The Chairman** drew the Committee's attention to rule 92 of the rules of procedure of the General Assembly concerning elections by secret ballot and to paragraph 16 of Assembly decision 34/401 on the rationalization of the procedures and organization of the General Assembly.

(b) Appointment of members of the Committee on Contributions (A/59/102 and Add.1; A/C.5/59/6 and Add.1)

2. **The Chairman** drew the Committee's attention to a note by the Secretary-General (A/59/102) in which he referred to articles 158 and 159 of the rules of procedure of the General Assembly and invited the Assembly to appoint six persons to fill the vacancies that would occur in the membership of the Committee on Contributions on 31 December 2004. In documents A/C.5/59/6 and Add.1, the Secretary-General communicated the names of six persons who had been nominated by their respective Governments for appointment or reappointment for a three-year term of office beginning on 1 January 2005. Since the number of candidates from the Group of African States, the Group of Latin American and Caribbean States and the Group of Western European and Other States, corresponded to the number of vacancies for those regional groups, he took it that the Committee wished to recommend their appointment or reappointment by acclamation.

3. *It was so decided.*

4. *Mr. Ekorong à Dong (Cameroon), Mr. Hassan (Nigeria), Mr. Greiver del Hoyo (Uruguay), Mr. Iglesias (Argentina), Mr. Dutton (Australia) and Mr. Ramos (Portugal) were recommended for appointment to the Committee on Contributions for a three-year term beginning on 1 January 2005.*

5. **The Chairman** drew attention to document A/59/102/Add.1, in which the Secretary-General informed the General Assembly that he had been notified of the resignation of Mr. Mareyev (Russian Federation) and invited it to appoint a person to fill the unexpired portion of his term of office, which would expire on 31 December 2005. The Secretary-General also informed the Assembly, in document A/C.5/59/6/Add. 1, that the Government of the Russian Federation had nominated Mr. Logutov, whose candidacy had been endorsed by the Group of Eastern European States, for that appointment. He took it that the Committee wished to recommend by acclamation the appointment of the candidate in question.

6. *It was so decided.*

7. *Mr. Logutov was recommended for appointment to the Committee on Contributions for a term beginning on 1 January 2005 and expiring on 31 December 2005.*

(c) Confirmation of the appointment of members of the Investments Committee (A/59/103; A/C.5/59/7)

8. **The Chairman** drew the Committee's attention to document A/59/103, in which the Secretary General informed the General Assembly of the need to confirm, in accordance with article 20 of the Regulations of the United Nations Joint Staff Pension Fund, the appointment of the three persons whom he had designated to fill vacancies in the Investments Committee beginning on 1 January 2005. In document A/C.5/59/7, the Secretary-General submitted the names of the persons whom he had appointed for a three-year term of office for confirmation by the General Assembly. Since the number of candidates corresponded to the number of vacancies, he took it that the Committee decided by acclamation to recommend that the Assembly should confirm their appointment.

9. *It was so decided.*

10. *The Committee recommended that the Assembly should confirm the appointment of Mr. McDonough (United States of America), Ms. Ploix (France) and Mr. Reimnitz (Germany) to the Investments Committee for a three-year term beginning on 1 January 2005.*

11. **The Chairman** said that, in document A/C.5/59/7, the Secretary-General also informed the General Assembly of his decision to appoint Mr. Ngqula (South Africa), currently an ad hoc member of the Investments Committee, to replace Mr. Abdullatif (Saudi Arabia), who had submitted his resignation, effective December 2004, in order to fill the remainder of Mr. Abdullatif's term, which was due to expire on 31 December 2006. He took it that the

Committee wished to recommend by acclamation that the Assembly should confirm Mr. Ngqula's appointment.

12. *It was so decided.*

13. *The Committee recommended that the Assembly should confirm the appointment of Mr. Ngqula (South Africa) to the Investments Committee for a term beginning in December 2004 and expiring on 31 December 2006.*

(e) Appointment of members and alternate members of the United Nations Staff Pension Committee (A/59/105; A/C.5/59/9)

14. **The Chairman** drew the Committee's attention to document A/59/105, in which the Secretary-General invited the General Assembly to appoint four members and four alternate members to the United Nations Joint Staff Pension Committee for a four-year term beginning on 1 January 2005. In document A/C.5/59/9, the Secretary-General communicated to the General Assembly the names of eight persons nominated by their respective Governments. Since the number of candidates was equal to the number of vacancies, he took it that the Committee wished to recommend their appointment by acclamation.

15. *It was so decided.*

16. *Mr. Akimoto (Japan), Mr. Chaudhry (Pakistan), Ms. González Posse (Argentina), Mr. Kovalenko (Russian Federation), Mr. Küntzle (Germany), Mr. Mazemo (Zimbabwe), Mr. Okanda Owade (Kenya) and Mr. Repasch (United States of America) were recommended for appointment to the United Nations Staff Pension Committee for a four-year term beginning on 1 January 2005.*

(a) Appointment of members of the Advisory Committee on Administrative and Budgetary Questions (A/59/101; A/C.5/59/5)

17. **The Chairman** drew the Committee's attention to document A/59/101, in which the Secretary-General referred to rules 155 and 156 of the rules of procedure of the General Assembly and invited the Assembly to appoint six persons to replace the six members of the Advisory Committee on Administrative and Budgetary Questions whose term of office was due to expire on 31 December 2004. In document A/C.5/59/5, the Secretary-General informed the Assembly of the names of eight persons nominated by their respective Governments to fill the vacancies. Since the number of candidates from the Group of Asian States and the Group of Western European and Other States corresponded to the number of vacancies for those regional groups, he took it that the Committee wished to recommend their appointment by acclamation.

18. *It was so decided.*

19. *Ms. Minqin (China), Mr. Saha (India) and Mr. Yamazaki (Japan), in the case of the Group of Asian States, and Mr. Elkhuizen (Netherlands) and Mr. Kramer (Canada), in the case of the Group of Western European and Other States, were recommended for appointment to the Advisory Committee on Administrative and Budgetary Questions for a three-year term beginning on 1 January 2005.*

20. **The Chairman** drew the Committee's attention to rule 93 of the rules of procedure of the General Assembly and invited members to elect by secret ballot one candidate from the Group of Latin American and Caribbean States.

21. *At the invitation of the Chairman, Ms. Pehrman (Finland), Mr. Lantu (Indonesia) and Mr. Kabuku (Namibia) acted as tellers.*

22. *A vote was taken by secret ballot.*

Number of ballot papers:	**185**
Invalid ballots:	**0**
Number of valid ballots:	**185**
Abstentions:	**1**
Number of members voting:	**184**
Required majority:	**93**
Number of votes obtained:	
Mr. Flores Callejas (Honduras)	**83**
Mr. Wins (Uruguay)	**67**
Ms. Incera (Costa Rica)	**34**

23. *No candidate having obtained the required majority, a second vote was taken by secret ballot, restricted to Mr. Flores Callejas (Honduras) and Mr. Wins (Uruguay), the two candidates with the largest number of votes.*

24. *At the invitation of the Chairman, Ms. Pehrman (Finland), Mr. Lantu (Indonesia) and Mr. Kabuku (Namibia) acted as tellers.*

25. *A second vote was taken by secret ballot.*

Number of ballot papers:	**187**
Invalid ballots:	**0**
Number of valid ballots:	**187**
Abstentions:	**0**
Number of members voting:	**187**
Required majority:	**94**
Number of votes obtained:	
Mr. Flores Callejas (Honduras)	**105**
Mr. Wins (Uruguay)	**82**

26. *Having obtained the required majority, Mr. Flores Callejas (Honduras) was recommended for appointment to the Advisory Committee on Administrative and Budgetary Questions for a three-year term beginning on 1 January 2005.*

(f) Appointment of members of the International Civil Service Commission (A/59/106; A/C.5/59/10)

27. **The Chairman** drew the Committee's attention to document A/59/106, in which the Secretary-General, recalling articles 2 to 4 of the statute of the International Civil Service Commission (ICSC), informed the General Assembly that it must appoint five persons to fill the vacancies that would occur in the membership of the Commission on 1 January 2005. In his note A/C.5/59/10, the Secretary-General communicated to the Assembly the names of six persons nominated by their respective Governments to fill the vacancies. Since the number of candidates from the Group of Asian States and the Group of Eastern European States corresponded to the number of vacancies for those regional groups, he took it that the Committee wished to recommend their appointment by acclamation.

28. *It was so decided.*

29. *Mr. Chowdhury (Bangladesh) and Mr. Wang (China), in the case of the Group of Asian States, and Mr. Titov (Russian Federation), in the case of the Group of Eastern European States, were recommended for appointment to the International Civil Service Commission for a four-year term beginning on 1 January 2005.*

30. **The Chairman** drew the Committee's attention to rule 94 of the rules of procedure of the General Assembly and invited members to elect by secret ballot two candidates from the Group of African States.

31. *At the invitation of the Chairman, Mr. Torres Lepori (Argentina), Ms. Ferguson (Canada) and Mr. Augustine (India) acted as tellers.*

32. *A vote was taken by secret ballot.*

Number of ballot papers:	**185**
Invalid ballots:	**0**
Number of valid ballots:	**185**
Abstentions:	**0**
Number of members voting:	**185**
Required majority:	**93**
Number of votes obtained:	
Mr. Bouayad-Agha (Algeria)	**161**
Mr. Zahid (Morocco)	**108**
Mr. Rusita (Uganda)	**87**

33. *Having obtained the required majority, Mr. Bouayad-Agha (Algeria) and Mr. Zahid (Morocco) were recommended for appointment to the Advisory Committee on Administrative and Budgetary Questions for a four-year term beginning on 1 January 2005.*

(d) Appointment of members of the United Nations Administrative Tribunal (A/59/104; A/C.5/59/8)

34. **The Chairman** drew the Committee's attention to document A/C.5/59/8, in which the Secretary-General informed the General Assembly of the names of four persons who had been nominated by their respective Governments for appointment to three vacancies on the United Nations Administrative Tribunal.

35. He drew the Committee's attention to rule 94 of the rules of procedure of the General Assembly and invited members to elect by secret ballot three candidates for appointment to the United Nations Administrative Tribunal.

36. *At the invitation of the Chairman, Mr. Davis (Bahamas), Ms. Brkljavic (Croatia) and Ms. Onisi (Romania) acted as tellers.*

37. *A vote was taken by secret ballot.*

Number of ballot papers:	**185**
Invalid ballots:	**0**
Number of valid ballots:	**185**
Abstentions:	**1**
Number of members voting:	**184**
Required majority:	**93**

Number of votes obtained:

Mr. Seng (Singapore)	155
Mr. Flogaitis (Greece)	151
Ms. Stern (France)	121
Ms. Kalema (Uganda)	110

38. *Having obtained the required majority, Mr. Flogaitis (Greece), Mr. Seng (Singapore) and Ms. Stern (France) were recommended for appointment to the United Nations Administrative Tribunal for a four-year term beginning on 1 January 2005.*

39. **The Chairman** announced that the Committee had concluded the current stage of its consideration of agenda item 17.

The meeting rose at 11.30 a.m.

United Nations

A/C.5/59/SR.22

General Assembly
Fifty-ninth session
Official Records

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Fifth Committee

Summary record of the 22nd meeting

Held at Headquarters, New York, on Tuesday, 9 November 2004, at 2.30 p.m.

Chairman: Ms. Lock (Vice-Chairman) .... (South Africa)
later: Mr. MacKay (Chairman) .... (New Zealand)

***Chairman of the Advisory Committee on Administrative and Budgetary Questions*: Mr. Kuznetsov**

Contents

Agenda item 109: Programme planning

Agenda item 118: Report of the Secretary-General on the activities of the Office of Internal Oversight Services (*continued*)

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In the absence of Mr. MacKay (New Zealand), Ms. Lock (South Africa), Vice-Chairman, took the Chair.

The meeting was called to order at 2.35 p.m.

Agenda item 109: Programme planning (A/59/6 (Programmes 1-26) and A/59/6 (Part One)/Corr.1, A/59/16, A/59/69, A/59/79 and A/59/87)

1. **Ms. Udo** (Chairman of the Committee for Programme and Coordination), introducing the report of the Committee for Programme and Coordination (CPC) on its forty-fourth session (A/59/16), said that the session had taken place in the context of the ongoing reform of the United Nations, including reform of the budgetary process, and had also provided CPC with an opportunity to look at ways of improving its working methods. The budget cycle was to be reformed and any duplication in intergovernmental review eliminated. The General Assembly, in resolution 58/269, had assigned additional responsibilities to CPC for its forty-fourth session, namely to consider a strategic framework to replace the four-year medium-term plan, which was to comprise a part one, or plan outline, reflecting the longer-term objectives of the Organization, and a part two, or a biennial programme plan, to cover the two-year period under consideration. The tasks of CPC at its forty-fourth session had therefore been: to review the strategic framework for 26 programmes for the period 2006-2007; to identify issues in the context of the strategic framework that required assessment by the Secretariat; to consider the issue of priority-setting; to examine the programme performance of the United Nations for the biennium 2002-2003; to review evaluation matters and coordination questions; and to consider ways of improving its working methods.

2. A debt of gratitude was due to the members of CPC for their efforts, as well as to the observers and the members of the Secretariat. The report on the session had been prepared in the format to which members of the Fifth Committee were accustomed. She had been intending to submit, both to the Economic and Social Council and to the Fifth Committee, a more reader-friendly document but, for reasons beyond her control, that had not proved possible. One of the critical roles conferred on CPC had been to review the programmatic aspects of the budget to ensure that the short- and long-term objectives of the Organization and the overall direction of programmes were properly respected and reflected in budgetary considerations. The new two-year budget process delinked resources from programmes. The fact that the strategic frameworks had been submitted with no benchmarks that CPC could use as guidelines had made its work more difficult and cumbersome.

3. The Committee had had before it for its consideration the proposed strategic framework for the period 2006-2007, Part One being the plan outline and Part Two the biennial programme plan. Of the 26 programmes, the Committee had made recommendations on 21. In particular, it had decided to recommend that the General Assembly should allocate five programmes to the relevant Main Committees for review and action: programme 3, Disarmament, was to be reviewed by the First Committee; programme 10: Trade and development, consideration of which had been delayed to permit UNCTAD to conclude its meeting and comment on the proposed strategic framework, was to be considered by the Second Committee, while the Third Committee would consider programme 19: Human rights. The Fourth Committee was to review programme 23: Public information, while the Fifth Committee was to consider programme 25: Internal oversight in the context of its scheduled mandatory five-year review of the work of the Office of Internal Oversight Services. It was also expected that, after review, the Main Committees would forward the programmes allocated to them to the Fifth Committee for its consideration in the context of the overall strategic framework for the period 2006-2007 under the agenda item entitled "Programme planning". CPC had also recommended that the General Assembly should review Part One, the plan outline, at its fifty-ninth session. After a detailed and extensive discussion of the plan outline, CPC had decided that more time should be devoted by the General Assembly to its consideration and that the Secretariat should provide further details in that connection. CPC had also decided that it would continue its consideration of the item on priority-setting at its forty-fifth session and recommended that the General Assembly should postpone its consideration of that report to its sixtieth session.

4. On the issue of the programme performance of the United Nations for the period 2002-2003, the Committee had commended the Office of Internal Oversight Services on its report which had been presented for the first time in results-based budget

format. It had appreciated the improved format of the report and the increased emphasis on results rather than simply on inputs and outputs. The programme performance report had afforded CPC the opportunity, for the first time, to evaluate how programme managers applied the results-based logical framework and how they were able to articulate programme implementation in terms of results achieved. While CPC recognized that the report was a work in progress and represented an improvement in performance reporting, it nevertheless emphasized the need for all programme managers fully to implement the relevant resolutions, paying attention to the regulations and rules related to results-based budgeting and management. It had also recommended that future reporting on programme performance should be more closely aligned with the objectives, expected accomplishments and indicators of achievement.

5. The Committee for Programme and Coordination had recommended that the General Assembly should request the Secretary-General to continue to provide overall support and guidance to all departments in managing for results and had also requested that future reports on programme performance should include a brief description of challenges, obstacles and unmet goals, so as to facilitate the evaluation by CPC of issues affecting programme performance.

6. On the subject of evaluation, CPC had recommended that the programmes of the proposed strategic framework should be considered in conjunction with the corresponding section of the programme performance report. However, as the latter covered the period 2002-2003, whereas the strategic framework covered the period 2006-2007, CPC had recommended that the Secretariat should formally present updated information on the relevant parts of the programme performance report on the understanding that such updated information would also be considered. It had also emphasized that the assessment of past programme performance should reflect significant external factors that might have affected the achievements of various programmes, as required by paragraphs 13 and 14 of General Assembly resolution 55/231.

7. On the issue of strengthening the role of evaluation findings in programme design, delivery and policy directives, CPC had decided to select the theme of "political affairs" for its in-depth evaluation in 2006. While commending OIOS on the candid way in which issues affecting programme performance had been covered, CPC had requested that future reports on in-depth evaluations and thematic evaluations, as well as triennial reviews, should include a brief section on questions in which intergovernmental guidance and follow-up by CPC or other appropriate intergovernmental bodies would be useful. That section should focus on practical and policy issues which could not be solved by the Secretariat alone and would therefore require cooperation with intergovernmental bodies.

8. Concerning coordination issues, the Committee had urged the Chief Executives Board for Coordination of the United Nations System to intensify inter-agency cooperation and exchange of information on practices in measuring programme performance and results, productivity in service functions and in collaboration on conference management. It had also recommended that the General Assembly should revert to the issue of the establishment of the Senior Management Service at its fifty-ninth session under the agenda item "United Nations common system".

9. One issue which the General Assembly had entrusted to CPC for consideration, namely improving the working methods of CPC, had been discussed with respect to quality and timeliness in documentation, conduct of meetings, possible clustering of issues for discussion, changing the format of the CPC report and other issues but, owing to serious time constraints, CPC had been unable to finalize those discussions and had decided that it would take up the issue as a matter of priority at the beginning of its forty-fifth session.

10. **Mr. Halbwachs** (Controller) introduced the proposed strategic framework for the period 2006-2007 (A/59/6 (Programmes 1-26)), which had been prepared in compliance with General Assembly resolution 58/269 and with the legislative mandates that required action to be taken by the Member States and by the Secretariat to meet the challenges facing the Organization. The proposed strategic framework comprised 26 programmes each of which was entrusted with the responsibility for attaining tangible results. As the programme performance report, which would be introduced later, showed, considerable advances had been made in the past two years: tension had been alleviated, political settlements had been achieved, international standards had been observed, and agreements had been reached on matters relating to sustainable development, environment, trade and

investment. There had also been improved development in Africa, life-saving assistance had been provided to some 45 million victims of conflict, drought and other emergencies, the United Nations Convention against Transnational Organized Crime had come into force and the reform in the Secretariat had yielded greater efficiency and effectiveness.

11. At the same time, there were still many urgent challenges to be met and persistent problems to be addressed. The programmes in the strategic framework were designed to enable the Secretariat to manage its work better and to achieve results, rather than merely to deliver outputs and services. While the Secretariat must continue to improve its efficiency, efficiency was not enough: the Secretariat must also strive to become more effective not only for the benefit of those whom the United Nations served but also to make the Organization stronger. The strategic framework was one of the instruments that guided the work of the Organization as a whole. Part One highlighted the longer-term objectives and the priorities to be designated, while Part Two presented the biennial programme plan for all the 26 programmes of the Organization.

12. When the Committee came to deliberate on the issue it would receive good advice from CPC but, at the same time, the Committee should also bear in mind that legislative mandates were addressed to Governments, intergovernmental bodies, organizations in the United Nations system and other entities, as well as to the Secretary-General. The responsibility for the success of the Organization's programmes was neither the exclusive preserve of the Member States acting individually, nor that of intergovernmental bodies or of the Secretariat; the responsibility was a collective one.

13. The report of the Secretary-General on priority-setting (A/59/87) described the experience with priority-setting since the introduction of programme planning and budgeting over 35 years previously and also dealt with the historical background to priority-setting. As its Chairman had already mentioned, CPC had recommended that discussion of priority-setting should be deferred until the following year to give it an opportunity to look at the matter in greater detail.

14. **Mr. Nair** (Under-Secretary-General for Internal Oversight Services), introducing the report of the Office of Internal Oversight Services on strengthening the role of evaluation findings in programme design, delivery and policy directives (A/59/79), said that the report, the eighth in a series, presented an overview of the Secretariat's current evaluation capacity, analysed the application of evaluation findings in programme design, delivery and policy directives, provided an account of two pilot projects undertaken in 2003 to explore the use of self-evaluation within a results-based framework and summarized the actions taken by the Secretariat in response to action 21 (e) of the Secretary-General's report entitled "Strengthening of the United Nations: an agenda for further change" (A/57/387).

15. As far as evaluation capacity was concerned, the Office for Internal Oversight Services (OIOS) had concluded that there were reasonably sound institutional arrangements and evaluation practices in place. However, improvements were required in a number of areas in order to strengthen capacity. In that connection, and pursuant to General Assembly resolution 58/269, there was a need for clearer identification of resources allocated for monitoring and evaluation in all sections of the budget. To that end, managers should assess their monitoring and evaluation needs and also revisit the organizational placement of that particular function in their respective programmes.

16. The programme budget instructions issued in September had followed up on the proposals made in the report. As part of their programme budget submissions for the period 2006-2007, programme managers would be required to provide a record of self-evaluation activities undertaken in the previous biennium and to submit evaluation plans together with a clear identification of resources to be used for evaluation.

17. In order to ensure that evaluation was approached in a more uniform manner throughout the Secretariat, OIOS had prepared a comprehensive online glossary of evaluation terminology, which would be available in November, and intended to produce an updated evaluation manual by January 2005. In addition, the report proposed a number of new measures designed to modernize and update the central evaluation function so as to enable it to develop standards and training materials, oversee, organize and facilitate training and serve as a repository and disseminator of best practices. Since those activities could not be undertaken within current resources, the proposals

would need to be considered in the context of the budgeting exercise for 2006-2007.

18. The report also described actions currently under way in the Secretariat to refine the current timeline for the planning, budgeting, monitoring and evaluation cycles in order to maximize synergies, enhance the role of the Integrated Monitoring and Documentation Information System (IMDIS), ensure that senior managers provided leadership, commitment and support for monitoring and evaluation activities, upgrade evaluation resources and planning, improve the coherence and clarity of evaluation methodology and strengthen the central evaluation capacity. The Committee for Programme and Coordination had considered the proposals and had, inter alia, echoed the need to strengthen the support provided by intergovernmental bodies and recommended that the political affairs programme should be the subject of in-depth evaluation in 2006.

19. Turning to the report of the Secretary-General on the programme performance of the United Nations for the biennium 2002-2003 (A/59/69), he said that, at its forty-fourth session, CPC had taken note of the improved format of the programme performance report and had commended the innovative approach used in formatting and distributing it. The thirteenth biennial report was in fact very different from its predecessors: its content was focused on results and it was presented in both printed and electronic versions. The report's content had been arranged in accordance with the results-based paradigm approved by the General Assembly. With that strong methodological base and the enhancement of results-based management by means of training exercises, the report was considerably more detailed and substantiated.

20. The report was 25 per cent shorter than the report for the biennium 2000-2001, and almost nine tenths of it was devoted to results achieved. Its dual presentation also helped to make the printed version as concise as possible, and the 100 or so hyperlinks in the electronic copy allowed the reader to view other documents.

21. The biennium under consideration had witnessed a wide variety of outcomes of the Organization's activities. The key results were highlighted in Part One of the report and were described in much more detail within each budget section in Part Two. The implementation rate of the 33,131 quantifiable outputs had been 84 per cent, one point higher than in the preceding biennium. The level of additions (4,894 outputs) was slightly higher, and 1.9 per cent of total outputs had been postponed, as against 2.3 per cent in the preceding biennium. A further 13 per cent of total outputs had been terminated, compared to 14.7 per cent.

22. Two partnerships had been crucial to the programme performance monitoring and reporting of the Office for Internal Oversight Services (OIOS): one with the Programme Planning and Budget Division and the other with the Department of Economic and Social Affairs. The latter partnership had resulted in a new version of the Integrated Monitoring and Documentation Information System (IMDIS). That continuing team work was now focusing on the development of results-based modalities, the strengthening of data collection methods, and training in all aspects of self-monitoring, as well as on the development of an even more effective version of IMDIS.

23. The work on results-based management was not resource-neutral, as had been recognized by the General Assembly in paragraph 20 of its resolution 58/269. Further improvements required investments both in the departments and offices and at the central monitoring and reporting point. Consideration would have to be given to the best structure and the extent of such resource inputs.

24. *Mr. MacKay (New Zealand) took the Chair.*

25. **Mr. Elkhuizen** (Netherlands), speaking on behalf of the European Union, the candidate countries (Bulgaria, Croatia and Romania), the stabilization and association process countries (Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia and Serbia and Montenegro) and, in addition, Iceland, noted that, for the first time, the Committee was considering the strategic framework, which had replaced the medium-term plan. It would also be examining some of the biennial programme plans and other reports in respect of which CPC had been unable to conclude its consideration.

26. The European Union welcomed the new format of the strategic framework, in particular the plan outline, which gave a helpful long-term description of the challenges facing the United Nations and, when taken in conjunction with the two-year programmes in Part Two, provided a balanced perspective. The European Union stood ready to take note of the outline and

recommended that, when discussing the item, the Fifth Committee should confine itself to reaffirming the priorities identified in previous medium-term plans.

27. The preliminary results of the biennial programme plans were satisfactory. The majority of plans contained an appropriate level of detail, particularly considering that they would not become operational until 2006, but more specific and quantifiable indicators, targets and baselines should be added to the fascicles in 2005 during the preparation of the proposed programme budget for the biennium 2006-2007. The favourable response of a number of senior programme managers to the new two-year time frame augured well for an enhanced planning process. A few specific programmes remained to be finalized and, in that connection, the European Union looked forward to receiving expert input from the relevant Committees.

28. While the European Union stood ready to endorse the report of CPC on its forty-fourth session, it once again felt disappointed by the final product. General Assembly resolution 58/269 should have marked a new beginning for CPC, but the report contained familiar and repetitive language about modifying objectives, accomplishments and indicators of achievement and, in many cases, simply duplicated previously-used text. In addition, all the more difficult issues had been referred to the General Assembly for action.

29. The European Union was even more concerned that the Committee had ignored the General Assembly's instruction, in its resolution 58/269, to improve its working methods. Urgent corrective action was now required if CPC was to be viewed as a worthwhile body and wished to make an active contribution to efficient programme planning. The European Union therefore intended to put forward a number of modest proposals for the reform of its working methods during the relevant informal consultations, with a view to liberating CPC from restrictive interpretations of its mandate and encouraging more open, substantive debate on programmatic issues and evaluation.

30. Lastly, the report of the Secretary-General on priority-setting (A/59/87) helped to highlight the difficulties associated with defining priorities other than those that reflected general trends of a broad sectoral nature, and demonstrated that resource allocation was a very crude instrument with which to measure relative priorities devoted to particular programmes. The ability of intergovernmental bodies to order priorities at the programme and subprogramme level was limited and there was little point in revisiting the issue year after year. Consequently, the European Union proposed that the General Assembly should conclude its consideration of the question by taking note of the Secretary-General's report.

31. **Mr. Kovalenko** (Russian Federation) commended CPC for the preparation of the draft strategic framework for 2006-2007, which represented a first attempt to formulate the Organization's goals and tasks for a two-year rather than a four-year period. The process of reviewing the format and content of the programme plan was a complex and multifaceted exercise and, in that connection, it was particularly important to seek optimum planning paradigms for results-based performance in order to enable the Organization to respond more coherently to new challenges, provide for greater accountability on the part of the Secretariat and evaluate the indicators of achievement according to the established goals and end results.

32. Unfortunately, the strategic framework before the Committee did not always allow for the latter. A gulf had emerged between the formulation of goals involving both the Secretariat and Member States and the formulation of the expected accomplishments involving the Secretariat alone. In order to improve matters, the goals should be formulated more clearly. Furthermore, the concept of the "collective responsibility" of Member States and the Secretariat for the implementation of the goals contained in the framework should be eliminated, since it implied that neither side was ultimately responsible. Where the successful achievement of programmes depended on the contribution of Member States, a specific statement to that effect must be made, and in all other cases it should be assumed that responsibility lay with the Secretariat, which must be held fully accountable for its actions.

33. While the planning and management of results-based programmes was an extremely complex task, a comparison of the medium-term plan for 2002-2005 and the strategic framework for 2006-2007 revealed that, while the expected accomplishments differed, the action to be taken by the Secretariat to achieve those accomplishments was practically identical. It was difficult to comprehend how new results could be

achieved with old measures and, to rectify the situation, the Secretariat must devote more attention to assessing its role and to ascertaining how the upcoming period would differ from the previous one.

34. Lastly, CPC had an important role to play in the context of planning and evaluation. However, in order to make a real contribution to improving the strategic framework by, inter alia, providing Member States with clear recommendations, it must find its own niche in the process.

35. **Ms. Ebbesen** (United States of America) said that her delegation generally endorsed the recommendations contained in the report of the Committee on Programme and Coordination. However, for a number of reasons, it was deeply disappointed. Firstly, CPC had not fulfilled its mandate in the area of improving its working methods, failing once again to devote sufficient time or attention to the issue. Some delegations had been unwilling to consider even minor changes to its working methods. Secondly, CPC had not provided the Secretariat with strategic analysis or guidance regarding the new strategic framework and had recommended only editorial changes to the text. If CPC was to gain the confidence of Member States, it would need to take a different and more proactive approach in future. Thirdly, the Committee had been unable to agree on the programme priorities for the biennium 2006-2007. The biennial programme plan did not adequately address efforts to combat terrorism; that topic should be treated as a separate priority in order to reflect the threat it posed to the international community. Lastly, the role of CPC had been diminished on account of its failure to agree on a number of programmes and the subsequent deferral of their consideration to the substantive Committees of the General Assembly. In that connection, the Fifth Committee should be in a position to approve a number of outstanding fascicles that had been reviewed by, inter alia, the First Committee and the Fourth Committee.

36. The United States welcomed the new format of the programme performance report for 2002-2003, in particular its focus on results achieved, and commended the Secretariat for providing an electronic version. However, the length of the report and the lack of baseline data to measure the performance of programmes meant that its utility was limited. A significant portion of the indicators of achievement for 2002-2003 had been prepared without baseline data, which made it difficult for Member States to assess the results achieved. Consequently, future reports should include baseline data for all the indicators of achievement and the Secretary-General should continue to explore ways of streamlining and modernizing the report.

37. With regard to the report on strengthening the role of evaluation findings in programme design, delivery and policy directives (A/59/79), her delegation took the view that monitoring and evaluation were crucial to the development of a results-oriented Organization and therefore commended OIOS for its thorough review of the Secretariat's monitoring and evaluation capacities, despite a lack of cooperation from some departments. It fully agreed with OIOS that each department should assess its current evaluation capacities, develop or update evaluation plans simultaneously with programme budget proposals and allocate sufficient time and resources to evaluation activities. Furthermore, senior managers should receive in-depth training in self-evaluation techniques and should be actively involved in reviewing the results of evaluations.

38. **Mr. Nair** informed members of the Committee that electronic copies of the report contained in document A/59/69 (on CD-ROM) were available in the conference room.

Agenda item 118: Report of the Secretary-General on the activities of the Office of Internal Oversight Services (*continued*) (A/59/359 and A/58/785)

39. **Ms. Lock** (South Africa) said that her delegation wished to associate itself with the statement made by the Chairman of the Group of 77 and China under agenda item 119, which had touched on the review of the mandate of the Office for Internal Oversight Services (OIOS). She commended OIOS for its efforts to instil a greater sense of accountability throughout the United Nations. The importance of effective oversight mechanisms had been illustrated by the large number of OIOS reports submitted to the General Assembly during the period under review and by actual savings of $26.6 million as a result of the implementation of OIOS recommendations. The recent increase in the number of requests for OIOS studies and reviews also clearly demonstrated Member States' confidence in the competence and independence of the Office.

40. OIOS should also be commended for attempting to effectively rationalize its allocation of resources and improve the targeting of its oversight assignments by applying a risk-management framework to its annual work plan. It was hoped that that framework, which had already facilitated cross-disciplinary teamwork, would further strengthen and add value to oversight activities. The efforts made to improve coordination between the various oversight bodies, in particular the Board of Auditors and the Joint Inspection Unit, were encouraging and should be pursued.

41. Her delegation welcomed the improved format of the annual report of OIOS and took note of the efforts the Office had made to streamline it by including only the more significant and specific recommendations, thereby decreasing the number of recommendations issued during the period under review. The relevant OIOS clients were urged to implement its recommendations without delay and to ensure that the necessary steps were taken to prevent future recurrences. To that end, the proposed establishment within the Secretariat of a high-level coordinating mechanism to ensure that managers were held accountable for the implementation of OIOS recommendations merited careful consideration.

42. Her delegation attached particular importance to the activities of OIOS in the areas of safety and security, procurement, the management of peacekeeping operations and humanitarian and related activities. In that connection, it remained deeply concerned about the findings relating to, inter alia, incidences of sexual abuse and exploitation, poor management controls, inadequate staffing and allegations of fraud. Remedial action must be taken to ensure that such incidents did not hinder the effective functioning of the Organization both at Headquarters and in the field.

43. Lastly, her delegation took the view that the effective functioning of the Economic Commission for Africa (ECA) was essential and hoped that the OIOS audit of the regional commissions would further enhance its role. In 2002, ECA had been charged with overseeing the coordination of activities concerning the New Partnership for Africa's Development (NEPAD) among regional United Nations entities and had subsequently made considerable progress in aligning its activities and programmes with the goals and priorities of NEPAD and other internationally agreed development goals. It was hoped that the findings of OIOS would contribute to further improvements in the management and efficiency of ECA. In that connection, her delegation would be seeking additional clarification regarding the rationale for, and the implementation modalities of, some of the relevant recommendations during the informal consultations.

44. **Ms. Goicochea** (Cuba) said that General Assembly resolution 48/218 B constituted a delicate balance which must be preserved during the next review exercise which would focus on the strengthening of OIOS. It was in that context that her delegation did not support the extension of the term of office of the Under-Secretary-General.

45. The Office's balance sheet was generally positive after its first 10 years. Her delegation welcomed its self-evaluation but requested clarification of the Secretary-General's proposal for a review of its operations by a panel of outside experts. Such a review could be carried out by the Joint Inspection Unit. Her delegation would also welcome information in a formal meeting as to the intergovernmental decision and/or rule under which such reviews were conducted. It took note of the Office's proposal concerning its operational independence. More information about how the Office had determined the category of recommendations classified as critical to the Organization would also be welcome.

46. The OIOS report did not state what action had been taken to correct the Secretariat's inefficiencies and the lack of integrity of some staff members which it described. The results of the Office's investigation of the matter of the cockpit voice recorder, described in paragraph 42, were in fact incredible. Her delegation could not understand how such a mistake could have been made. Such cases cast doubt on the integrity of the Organization, and the conduct of the staff members concerned should be examined rigorously by the Secretariat. There was clearly a need for a mechanism by which the Secretary-General could report to the General Assembly on the implementation of the recommendations of OIOS and for a system of accountability.

47. It was regrettable that the OIOS audit of field security procedures had not been concluded before the submission of the Secretary-General's report on the security and protection of the staff under item 108. Her delegation would welcome information as to when that

report would be available and how the Secretariat intended to act on its recommendations.

48. Her delegation was very concerned about the Office's conclusion that the permanent staff capacity of the Department for General Assembly and Conference Management had been set below the required level. That violated the principle that resource levels must be consistent with mandates. A specific reply from the Secretariat on that point would be welcome.

49. It was regrettable that in some cases the OIOS continued to make recommendations which went beyond its terms of reference and trespassed on the prerogatives of intergovernmental bodies, despite the General Assembly's criticism and in violation of resolution 54/244.

50. **Mr. Kozaki** (Japan) said that OIOS played a crucial role in establishing and maintaining budgetary discipline, managerial prudence and a culture of accountability. The Organization should ensure the full implementation of its recommendations.

51. The Office had identified the management of peacekeeping operations as a high-risk area. Given the size of the budget of such operations, a robust oversight function was absolutely essential. With regard to another high-risk area, his delegation looked forward to the findings of the audit of field security procedures at 14 peacekeeping missions and 6 political and peace-building missions.

52. His delegation urged OIOS to continue to improve its useful programme performance report and to focus even more sharply on results.

53. The self-evaluation conducted by OIOS was welcome, and his delegation was ready to discuss the issue positively so that the General Assembly could provide guidance on ways of enhancing transparency and operational independence. His delegation would welcome clarification as to why the Secretary-General had suggested a review by a panel of outside experts at a time when a review of OIOS activities was being conducted in the General Assembly.

54. The recommendations contained in the OIOS report on the audit of the regional commissions (A/58/785) should be implemented expeditiously in order to make their work more effective.

55. **Mr. Al-Zaabi** (Oman) drew attention to the statement in paragraph 32 of the report of OIOS (A/59/359) that only part of the sum approved for the procurement of strategic deployment stocks (SDS) for peacekeeping operations had been committed by 30 June 2003 and that part of the procurement action had not begun until 30 June 2004. Moreover, $5 million of the approved SDS budget had been diverted to uses not specifically included in the budget. Note should therefore be taken of the recommendations of OIOS concerning the need for compliance with General Assembly resolutions and for more expeditious implementation of the SDS programme.

56. As OIOS had stated, the risks associated with the administration of the Secretariat's human and financial resources included inefficiency, administrative duplication, complex bureaucratic procedures and practices, and inadequate maintenance and updating of regulations and rules. Many administrative processes in the Secretariat continued to be manual, cumbersome, time-consuming, inefficient and costly to administer. The Secretariat should therefore make an effort to make more effective use of modern information and communication technologies in order to achieve the results that the Member States expected.

57. The OIOS audit of the United Nations Compensation Commission's processing of selected claims had identified several deficiencies which had resulted in overcompensation to the claimants. Some errors had been accepted by the secretariat of the Compensation Commission, while other deficiencies that had been found in the audit had not been accepted. The latter included deficiencies in the claims process, such as overlapping claims resulting in double compensation; failure to consider cost savings; currency exchange and calculation errors; claims calculated on the basis of insufficient evidence; and inadmissible claims. The Secretariat and OIOS should therefore monitor the work of the United Nations Compensation Commission to ensure that its accounting procedures were improved and the number of mistakes reduced so as to avoid the wastage of resources.

58. Recent OIOS audits of United Nations regional commissions had found, inter alia, that their intergovernmental bodies needed to constantly review their adherence to rules. Inconsistencies and weaknesses in the self-evaluation exercises carried out by most of the regional commissions had also been noted and needed to be corrected. OIOS had also recommended that the Economic and Social

Commission for Western Asia and the Economic Commission for Africa should evaluate the new decentralized statistics arrangement in consultation with Member States, the Statistics Division and the Department of Economic and Social Affairs. Acceptance of those recommendations would lead to greater consistency between the budget proposals relating to the regional commissions and would improve the quality of their output.

59. In conclusion, he said that the 2002-2003 biennium had witnessed a considerable success in the Organization's activities, which included the conclusion of new international agreements in all its priority areas and reliable mechanisms for monitoring their implementation and enhancing national and regional capacities to translate such commitments into reality. Peacemaking, peacekeeping and peace-building capacities had also been strengthened and humanitarian assistance had been provided to tens of millions of people in need. The assistance that had been provided in the development of economic and social policies, capacity-building and advice on policy choices would support sustainable development and help to protect the environment.

60. **Mr. Nair** (Under-Secretary-General for Internal Oversight Services) said that whatever OIOS had achieved had been achieved through teamwork. He looked forward to the informal consultations, where it would be for the Secretariat to answer most of the questions raised.

61. **Ms. McCreery** (Assistant Secretary-General for Human Resources Management), responding to the suggestion by the representative of the United States that there was an apparent contradiction between the description of the investigation of allegations of sexual harassment in UNHCR in paragraph 87 of the OIOS report and the Secretary-General's decision to take no further action in the matter, said that there was in fact no contradiction. The Secretary-General had broad discretion in determining what constituted misconduct by a staff member and in imposing disciplinary measures. On the completion of any investigation, the staff member concerned was given an opportunity to respond to the allegations. The Secretary-General could then decide to close the case, refer it to a joint disciplinary committee, or summarily dismiss the staff member.

62. The Secretary-General had reviewed the OIOS report and evaluated its recommendations and the responses of the staff members concerned, taking into account all the circumstances of the case. He had decided, within his discretionary authority, that the allegations could not be sustained. On 4 November, the Joint Appeals Board at the United Nations Office at Geneva had been informed by the complainant's legal counsel that she was withdrawing her appeal.

The meeting rose at 4.10 p.m.

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Held at Headquarters, New York, on Thursday, 11 November 2004, at 9.30 a.m.

Chairman: Mr. MacKay .... **(New Zealand)**
later: Ms. Samayoa-Recari (Vice-Chairman) .... **(Guatemala)**

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Kuznetsov

Contents

Agenda item 109: Programme planning (*continued*)

Agenda item 113: Scale of assessments for the apportionment of the expenses of the United Nations (*continued*)

Agenda item 118: Report of the Secretary-General on the activities of the Office of Internal Oversight Services (*continued*)

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The meeting was called to order at 9.50 a.m.

Agenda item 109: Programme planning (*continued*) (A/59/6 (Part One) and Corr.1, A/59/6 (Part Two (Progs. 1-26)), A/59/16, A/59/69, A/59/79 and A/59/878; A/C.5/59/13, A/C.5/59/14 and A/C.5/59/15)

1. **Mr. Kramer** (Canada), speaking also on behalf of Australia and New Zealand, said that, although the revised planning and budget process approved by the General Assembly in its resolution 58/269, on the strengthening of the United Nations: an agenda for further change, was being implemented for the first time and was a work in progress, it was already evident that the changes that had been made were for the better and would help the Organization to respond to evolving circumstances. Senior programme managers had confirmed that aligning the planning period with the two-year budget period had provided a more realistic basis for planning and programming.

2. Rather than repeat the debates that had taken place in the Committee for Programme and Coordination (CPC) regarding Part One (plan outline) of the report on its forty-fourth session (A/59/16), the Member States should focus on endorsing the eight priorities previously identified. Those priorities had guided the work of the Organization since 1988 and, despite changes in the world, still captured its aims. There could, however, be no static approach, as programmes, subprogrammes and specific activities must reflect current and possible future circumstances and be implemented effectively.

3. Although the planning and budget cycle had improved, the Committee for Programme and Coordination had failed, for the second year running, to consider and improve its working methods in order to add value commensurate with the time and effort it consumed. A major overhaul was required, and must include shorter sessions, a sharp reduction in the time devoted to redrafting indicators of achievement and a shift towards drawing lessons from evaluation and programme-performance findings. The three delegations for which he spoke agreed with the Committee for Programme and Coordination that the report of the Secretary-General on priority-setting (A/59/87) should be taken up in 2005, if at all.

4. **Mr. Terzi** (Turkey) noted that the programme budget for the biennium 2002-2003 was the first comprehensive results-based budget prepared by the Organization. Results-based budgeting would encourage the United Nations to be more accountable and goal-oriented, which would require a fundamental change in the organizational culture. While that would take time, managers could expedite the process by committing fully to results-based management and promoting staff participation, team building, innovation and continuous learning. Since results-based budgeting was relatively new, it was too early to reach conclusions that would affect strategic decisions in the next budget period. However, his delegation would expect the Administration to produce desired result-actual performance comparisons with previous periods so that results could be used to manage and adjust ongoing operations and, ultimately, for strategic planning.

5. In the light of the complexity and continuously evolving nature of United Nations activities, delegations could not expect to engage in micromanagement. It was therefore crucial to have a sound accountability structure, strong internal and external control mechanisms, a rational division of labour and structured reporting mechanisms, as well as enhanced monitoring and evaluation systems so that Member States could see the results of their strategic policy decisions. In that context, his delegation welcomed the report of the Office of Internal Oversight Services on strengthening the role of evaluation findings in programme design, delivery and policy directives (A/59/79), which merited close attention.

6. It was important to take a comprehensive and integrated approach to reform. In that connection, he recalled that Member States had approved a number of reforms affecting their own working methods. In order to streamline the complex and costly process of planning and budgeting, a strategic framework had been introduced, consisting of a plan outline and a biennial programme plan. He was pleased to note that the proposed strategic framework (A/59/6) both reduced micromanagement and enabled delegations to connect the biennial budget with the Organization's long-term objectives. The Committee for Programme and Coordination was also seeking to improve its working methods. Regrettably, there had been little progress in that area, despite the Committee's hard work at its forty-fourth session.

7. He had taken note with interest of the recommendation of the Committee for Programme and Coordination (A/59/16, para. 349) concerning activity-

based cost accounting. While cost accounting was a useful way for managers to determine the cost of acquiring or utilizing resources in an organization, it was more readily applicable in manufacturing companies than in public sector and non-profit organizations. Before cost-accounting techniques could be introduced in the United Nations, they would have to be tailored to take account of the diversity and the very particular nature of the Organization's activities. The potential costs and benefits should therefore be carefully considered and best practices explored before any decision was taken.

8. **Mr. Al-Ansari** (Qatar), speaking on behalf of the Group of 77 and China, said that the plan outline (A/59/6 (Part One)) was not as balanced as it could have been in terms of issues related to economic, social and cultural development. The internationally agreed development goals, including those contained in the Millennium Declaration and in the outcomes of the major United Nations conferences and international agreements since 1992, represented the highest priorities of the Organization and should be duly reflected in the plan outline. The eight priorities of the medium-term plan for the period 2002-2005 (A/57/6/Rev.1) remained valid and should be reaffirmed. The Group noted that the designation of those priorities did not reflect any order of importance. Thus, while there was a continuing need to address the many conflicts around the world and to combat international terrorism, the importance given to those issues should not dilute or detract from the importance of development issues, and adequate resources should be made available for all mandated programmes and activities. In that connection, he stressed that the right to development was an essential component of an integrated approach to human rights.

9. The Group noted the use in the plan outline of such terms as "global public goods" and "global commons" (para. 54), as well as others in paragraphs 2, 6, 22 and 26, despite the fact that there was no intergovernmental agreement on their definition or scope. Paragraph 36 of the plan outline stated that the legislative mandates listed in the biennial programme plan were addressed to Governments, intergovernmental bodies, United Nations organizations and other entities, as well as to the Secretary-General, and that responsibility for the success of programmes was therefore neither the exclusive preserve of Member States, acting individually or in intergovernmental organs, nor of the Secretariat. In that context, the Group wished to reiterate that, in accordance with General Assembly resolution 55/231, expected accomplishments and indicators of achievement were intended to measure achievements in the implementation of the programmes of the Organization and not those of individual Member States.

10. The Group endorsed the recommendation of the Committee for Programme and Coordination concerning the plan outline (A/59/16, para. 65). In addition, it wished to request that the section on the longer-term objectives of the Organization should be redrafted, in consultation with the substantive departments, so as to reflect the priorities agreed on by Member States at relevant international conferences. The redrafted document should also indicate clearly which Secretariat entities were responsible for implementing those objectives.

11. With regard to the biennial programme plan (A/59/6 (Part Two)), he emphasized the importance the Group attached to the views provided by the specialized intergovernmental bodies on the various programmes of the strategic framework and to the review of those programmes by the relevant sectoral, functional and regional intergovernmental bodies, in accordance with the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, Monitoring of Implementation and the Methods of Evaluation (PPBME Rules). In that context, it trusted that the Main Committees would complete their consideration of the programme fascicles referred to them for review by the Committee for Programme and Coordination. Concerning the structure and format of the programmes and the articulation of objectives, expected accomplishments and indicators of achievement, the Group noted that certain indicators of achievement remained somewhat abstract and that, without the inclusion of baselines and targets, it was difficult, when reviewing each programme, to assess its relevance and measurability. In addition, some indicators measured the quantity of work rather than the quality of the results achieved. The Secretariat should improve data systems, establish standards, develop manuals and guidelines and conduct training programmes to address those problems.

12. The Committee for Programme and Coordination played a crucial role in the programme planning, budgeting, monitoring and evaluation process. The

Group therefore welcomed the Committee's continuing efforts to improve its working methods and procedures and its decision to give priority to that item at its next session. It respected the intergovernmental nature of the Committee for Programme and Coordination and considered it the most appropriate forum for that discussion.

13. Concerning the programme performance report of the United Nations for the biennium 2002-2003 (A/59/69), the Group noted with appreciation that the Secretariat had been successfully implementing new and revised mandates adopted during 2002-2003, including the Monterrey Consensus, the Johannesburg Plan of Implementation and the New Partnership for Africa's Development (NEPAD). It was concerned, however, that the preparation of a significant proportion of the indicators of achievement without baseline data could have affected the accuracy of the information contained in the programme performance report. While it welcomed the recommendation (A/59/16, para. 41) that future reporting on programme performance should be more closely aligned with objectives, expected accomplishments and indicators of achievement, it trusted that information on outputs would continue to be provided. The Secretariat should also ensure that concrete explanations were provided in illustration of the attainment of expected accomplishments, since some of the explanations provided in the current report were too vague and generic. Consistent standards should be set for surveys and other performance measures, which, in turn, would ensure that common benchmarks were used to evaluate results. As to the Secretary-General's proposal for a modified biennial programme performance report focusing on the achievement of expected results (A/58/395, para. 43 (e)), the Group noted that the General Assembly, in its resolution 58/269, had merely urged the Secretary-General to improve the format and timing of programme performance and evaluation reports.

14. Lastly, all mandated programmes and activities should be monitored, adjusted, as necessary, and fully implemented, in accordance with the PPBME Rules, while all programme managers should strictly adhere to the resolutions, regulations and rules related to results-based budgeting and management. In particular, the discontinuation of outputs derived from legislative mandates should be approved by the relevant intergovernmental body.

15. **Ms. Lock** (South Africa), speaking on behalf of the African Group, said that the Group wished to associate itself with the statement made by the representative of Qatar on behalf of the Group of 77 and China. At its forty-fourth session, the Committee for Programme and Coordination had devoted a great deal of time to its consideration of the proposed strategic framework for the period 2006-2007 (A/59/6). That had prevented it from reaching conclusions on possible measures to improve its working methods and procedures. The Group attached great importance to that matter and welcomed the Committee's decision to revert to it at the beginning of its next session.

16. The Group appreciated the efforts of the Office of Internal Oversight Services to improve the format and content of the programme performance report. It noted with satisfaction that, in the period under review, the implementation rate for mandated outputs had been 84 per cent, 1 per cent higher than the rate achieved in 2000-2001. The programme performance report for the biennium 2002-2003 (A/59/69) provided the first opportunity to evaluate the application of the results-based logical framework. The Group would therefore have expected the Secretariat to explain in greater detail why it had not been able to achieve full implementation of programmed outputs or why a relatively low implementation rate had been achieved in some areas, and it trusted that fuller information would be included in future reports. In order to measure results, it was necessary, when formulating expected accomplishments, to have reliable data for establishing baselines against which the Secretariat could evaluate its performance. The Group welcomed the collaboration in that area between the Office of Internal Oversight Services and the Programme Planning and Budget Division and the training provided for managers and staff in the application of the results-based framework. It trusted that the Secretariat would expand on the progress made in establishing and collecting baseline and target data, as well as on benchmarking in the next performance report, and that programme managers would be fully engaged in gathering and analysing performance data.

17. With regard to the proposed strategic framework, the Group endorsed the views of the Group of 77 and China on the plan outline (A/59/6 (Part One)). As to the biennial programme plan (A/59/6 (Part Two)), it noted with satisfaction that the Committee for Programme and Coordination had expressed strong

support for programme 9 (United Nations support for the New Partnership for Africa's Development) and appreciation for the role played and contributions made thus far by the Office of the Special Adviser on Africa. It was important for United Nations system entities to increase their activities in support of NEPAD. That could only be done with increased coordination among them. The Group was therefore pleased to note that the United Nations System Chief Executives Board for Coordination and the Committee for Programme and Coordination were focusing on that matter. It concurred with the conclusions and recommendations made by the latter body in paragraphs 168 and 469 to 476 of its report (A/59/16).

18. Concerning programme 14 (Economic and social development in Africa), the Group was encouraged by the progress made by the Economic Commission for Africa in aligning the overall objectives of its programmes with the goals and priorities of NEPAD and the internationally agreed development goals. It welcomed the emphasis placed by the Committee for Programme and Coordination on the Commission's coordination function, particularly in respect of NEPAD. It agreed that the Commission's programmes could be amended to reflect its role in the follow-up to the World Summit on Sustainable Development (Johannesburg, 2002), including the regional implementation meetings it hosted. It noted that vigorous action to address the challenge of HIV/AIDS, tuberculosis, malaria and other infectious diseases would form an essential component of the Commission's work in 2006-2007.

19. Lastly, the Group wished to emphasize the importance it attached to the respective roles of the Fifth Committee, the Committee for Programme and Coordination and the Advisory Committee on Administrative and Budgetary Questions (ACABQ) in the intergovernmental review of the planning, programming and budgeting process.

20. **Ms. Bethel** (Bahamas) said it was regrettable that the Committee for Programme and Coordination had not been able to make recommendations on Part One of the proposed strategic framework for the period 2006-2007 and on some sections of Part Two. However, her delegation recognized that there were difficulties in reaching a consensus in any intergovernmental process. It welcomed the Committee's report (A/59/16) and fully supported the recommendations contained therein.

21. In order for the strategic framework to be truly strategic, it must take account of the Organization's longer-term objectives. In that context, her delegation was disappointed that the plan outline (A/59/6 (Part One)) contained no substantive reference to drug control and international crime prevention, which had been among the eight priorities identified for the periods 1998-2001 and 2002-2005 and proposed for the period 2006-2007. The conditions that had led to those priorities continued to persist, and her delegation therefore supported their retention. It had noted with interest the paragraphs devoted to lessons learned for, if the Organization was to achieve its objectives, it was important to learn from past experience.

22. Her delegation strongly supported the efforts of the Committee for Programme and Coordination to monitor United Nations support for NEPAD and concurred with the conclusions and recommendations contained in paragraphs 469 to 476 of the Committee's report. In particular, it agreed that there was a need for a sustained drive to engage partners to support NEPAD. It welcomed the focus of the United Nations System Chief Executives Board for Coordination on ensuring coordinated implementation of the Millennium Declaration. As the Committee for Programme and Coordination stated, it was necessary to avoid duplication and ensure complementarity of efforts between the Board and other inter-agency bodies in the follow-up to and reporting on the implementation of the Millennium Declaration and other United Nations conferences and summits.

23. Her delegation wished to encourage the Committee for Programme and Coordination to continue its good work in the area of evaluation. It strongly supported the proposal that the Committee should conduct thematic evaluations, since the findings of such evaluations would allow it to address coordination and cooperation among United Nations programmes. It had taken note of the Committee's wish to continue its consideration of the report of the Secretary-General on priority-setting (A/59/87) at its forty-fifth session. However, it believed that the General Assembly should complete its consideration of the matter at its current session.

24. The Committee for Programme and Coordination was a technical body established to provide advice on programme coordination, monitoring, evaluation and implementation. Over the years, it had strayed somewhat from that mission. Consequently, its

recommendations had been vulnerable to criticism. That was regrettable, since it was a very useful body. Her delegation was an active member of the Committee and attached great importance to its work. It therefore regretted that, owing to lack of time, it had been unable to make specific recommendations on measures to improve its working methods and procedures. There had, however, been a fruitful exchange of views, and proposals had been made on which it could build at its next session. While change was needed, her delegation wished to caution the General Assembly against imposing reforms without allowing the Committee for Programme and Coordination itself to deliberate further on the issue. Experience had shown that reform efforts were much more successful when they had the added value of the considered recommendations of the body to be reformed.

25. **Mr. Tal** (Jordan) said that proper strategic planning was a prerequisite for the successful implementation of legislative mandates; it ensured that the Organization's long-term objectives were well defined and mapped out the most efficient way to achieve them.

26. While his delegation appreciated the attempt to sum up those long-term objectives in the plan outline (A/59/6 (Part One)), there had been undue emphasis on certain objectives at the expense of others. More specifically, while terrorism and global security were important, the issues of economic, social and political development were equally important. For that reason, his delegation had always associated a successful international collective effort against terrorism with addressing its root causes: poverty, illiteracy and hopelessness.

27. The Secretariat and Member States shared responsibility for the success of programmes and the effective implementation of legislative mandates. While it was up to the Member States to ensure that intergovernmental deliberations produced focused, unequivocal and clear mandates, it was up to the Secretariat to find the most efficient ways of fulfilling those mandates and to provide Member States with complete, accurate and timely information. Only in that way could the Member States and the Secretariat claim full partnership and collective responsibility.

28. The report of the Secretary-General on the programme performance of the United Nations for the biennium 2002-2003 (A/59/69) was the first to follow the results-based budgeting format, clearly defining objectives and linking them to expected accomplishments and indicators of achievement. That enabled programme managers and others concerned to identify and maintain best practices, recognize implementation problems and take timely and swift corrective action. However, it must be remembered that General Assembly resolution 58/269 on the strengthening of the United Nations: an agenda for further change was only the beginning of streamlining the United Nations planning and budgeting process.

29. Resolution 58/269 also stipulated that replacing the medium-term plan with the strategic framework and the new division of labour between the Fifth Committee, the Advisory Committee and the Committee for Programme and Coordination would be undertaken on a trial basis and would be open to future evaluation. While it was therefore too early for the Committee to pass judgement on the new process, it must focus on consolidating results-based budgeting and management within the United Nations system and on improving the Organization's ability to define its objectives clearly and link them to expected accomplishments and indicators of achievement. His delegation would work to ensure that reformed planning and budgeting was non-selective, transparent and accountable.

30. **Mr. Park Yoon-June** (Republic of Korea) said that, despite the unprecedented burden caused by the change to results-based budgeting, the Committee for Programme and Coordination had been able, thanks to the efforts of its bureau, to submit the report of its forty-fourth session (A/59/16) to the Fifth Committee. The plan outline in Part One of the report would help the Organization to meet the challenges of the biennium 2006-2007 and beyond, with clear strategic guidance for each programme. The 26 parts of the biennial programme plan in Part Two included overall orientation, objectives, expected accomplishments and indicators of achievement, and were divided into subprogrammes. His delegation agreed with the view expressed on behalf of the European Union at the previous meeting that the Committee should confine itself to reaffirming the priorities identified in previous medium-term plans.

31. His delegation was concerned that the report of the Committee for Programme and Coordination (CPC) contained recommendations on only 21 of the 26 programmes; that hampered discussion of

programme planning in the Fifth Committee, which had since received recommendations from the First Committee and the Fourth Committee on two further programmes out of the remaining five. His delegation shared the concern of other delegations that CPC had also been unable to improve its own working methods or to establish broadly defined strategic recommendations to guide the Secretariat in implementing results-based budgeting, limiting itself instead to making minor editorial changes. Priority should be given to both matters at its forty-fifth session.

32. The format of the report of the Secretary-General on the programme performance of the United Nations for the biennium 2002-2003 (A/59/69) had been much improved by focusing on results achieved rather than outputs produced. His delegation commended the Office of Internal Oversight Services (OIOS) for distributing the report in hard copy, CD-ROM and on the Internet, but urged that the report itself should be more concise and therefore more user-friendly. With regard to the report of OIOS on Strengthening the role of evaluation findings in programme design, delivery and policy directives (A/59/79), it echoed the recommendation of OIOS that programme managers should pay more attention to the planning of monitoring and evaluation activities.

33. **Ms. Goicochea** (Cuba) said that, coming at a time when the Organization was facing criticism, and shortly after the General Assembly's adoption of resolution 58/269 on the strengthening of the United Nations: an agenda for further change, the report of CPC was important. Cuba fully supported CPC as the intergovernmental body responsible for planning, budgeting, monitoring and evaluation. However, many problems had arisen not because CPC was inefficient — though it must certainly examine its working methods to improve efficiency — but rather because the Member States had been unable to reach a political consensus. Those difficulties would never have occurred if the biennial programmes of work had been fully aligned with existing mandates, with no interpretations or omissions. She agreed with the representative of the Bahamas that improving working methods was a matter for CPC itself to determine.

34. The proposed strategic framework for the period 2006-2007 (A/59/6, Part One and Part Two) was the first of its kind and must be considered to have been prepared on a trial basis, in accordance with paragraph 5 of resolution 58/269. There had been problems with the approval of a number of the programmes in the biennial programme plan, so the Secretariat must review the process to ensure that lessons were drawn from experience. Her delegation regretted that there was too little time to discuss individual programmes at formal meetings of the Committee; it would make its views known in informal consultations and emphasized that its acceptance of that situation at the current session must not be seen as a precedent. The summary records of the Committee's meetings must indicate the Member States' positions, particularly regarding programmes on which no consensus could be reached.

35. Her delegation was unhappy with the way in which the CPC report reflected the intense debate among the Member States regarding individual programmes. That had not been the fault of the bureau, but rather of the Secretariat, which had given an unbalanced view of the discussions. The lack of balance must be corrected, as in order to maintain the pace of their work, Member States tended to rely on the summary of the debate given in the report's conclusions and recommendations. In particular, the plan outline (Part One) had placed too little emphasis on the issue of development, despite the attention it had been given in major international conferences, not least the Millennium Summit. Instead of accurately portraying the outcome of consultations with Secretariat departments and the positions of a number of delegations, it had acquired an inappropriate ideological slant.

36. As in the case of the proposed strategic framework, her delegation had joined the consensus regarding the adoption of the report of the Secretary-General on the programme performance of the United Nations for the biennium 2002-2003 (A/59/69) but recalled that the General Assembly had not approved all of the proposals in the report of the Secretary-General on improvements to the current process of planning and budgeting (A/58/395 and Corr.1). It expressed support for the conclusions and recommendations in paragraphs 38 and 41 of the report of CPC, and assumed that information on outputs would continue to be given.

37. While it supported the CPC proposal that it should take up the report of the Secretary-General on priority-setting (A/59/87) again at its following session, her delegation took issue with the content of that report, which set out a position that seemed to be

directly contrary to the priorities established for the Organization's programmes. The matter must be examined from a technical point of view, and the reassignment of resources within programmes — a prominent feature of the 2004-2005 budget — must be governed by clear guidelines in order to avoid any element of arbitrariness.

38. **Mr. Elji** (Syrian Arab Republic) associated his delegation with the statement made by the representative of Qatar on behalf of the Group of 77 and China, particularly with regard to the terminology used in paragraphs 2, 6, 22 and 26 of the proposed strategic framework for the period 2006-2007 (A/59/6, Part One) and the need to revise the plan outline to reflect the long-standing objectives of the Organization. When the strategic framework was revised, the anomalous terminology should be deleted.

39. While the working methods of the Committee for Programme and Coordination had been correct in principle, it had failed to fulfil its function, blurring the distinction between technical and budgetary matters. Some Member States, especially major contributors which criticized CPC for inefficiency, had tried to use financial considerations to alter legislative mandates rather than simply translate those mandates into programmes. In some cases, such as programme 21 (Palestine refugees), some Member States had invoked financial considerations in order to exclude legislative mandates, while in others, such as programme 2 (Political affairs) they had tried to impose political programmes. In connection with programme 1 (General Assembly and Economic and Social Council affairs and conference management), the Secretariat had made an incomplete submission, particularly from the point of view of the use of official languages and the supply of hard copies of documents. His delegation was concerned that programme 6 (Legal affairs) went beyond the legislative mandates adopted and the remit of CPC.

40. As a technical body, CPC must keep to its mandate. Prolonged debate had caused time to be wasted and some programmes in the biennial programme plan had not been discussed. Similarly, lack of time had left CPC unable to complete its evaluation of the report of the Secretary-General on the programme performance of the United Nations for the biennium 2002-2003 (A/59/69), which, in any event, omitted some data and had been transferred electronically in part, despite the request for hard copies in all official languages. Moreover, the work of CPC was important enough to merit summary records.

41. *Ms. Samayoa-Recari (Guatemala), Vice-Chairman, took the chair.*

42. **Mr. Kozaki** (Japan) said that his delegation supported the proposed strategic framework for the period 2006-2007 (A/59/6, Part One and Part Two), which reflected the Organization's long-term objectives. However, for CPC to be effective, it must undertake reform. While the General Assembly, through its resolution 58/269 on the strengthening of the United Nations: an agenda for further change, had given CPC a mandate for reform, CPC had not given the matter complete consideration, for reasons including lack of time.

43. In order to be able to add value to the budgeting and programming process, CPC must focus more on monitoring and evaluation. In that regard, cost accounting would be a useful tool. Finally, he said that the report of the Secretary-General on the programme performance of the United Nations for the biennium 2002-2003 (A/59/69) was useful and OIOS should further improve it.

44. **Mr. Simancas** (Mexico) wondered whether the Third Committee's discussion of programme 19 (Human rights), scheduled for later in the day, would affect the Fifth Committee's consideration of that matter.

45. **Mr. Abelian** (Secretary of the Committee), in response to the question posed by the representative of Mexico, said that the bureaux of the Third and Fifth Committees would be meeting that afternoon in order to discuss the progress made with programme 19: Human rights.

46. **Ms. Udo** (Chairman of the Committee for Programme and Coordination) expressed her gratitude to Member States for their interest in the work of the Committee for Programme and Coordination. In response to the comments made by the representative of the Republic of Korea, she said that five programmes had been referred to the Main Committees of the General Assembly for review and action. To her knowledge, all those Committees, with the exception of the Third Committee, had concluded their consideration of the programmes and taken the appropriate action.

Agenda item 113: Scale of assessments for the apportionment of the expenses of the United Nations (*continued*) (A/C.5/59/L.10)

47. **The Chairman** invited the Committee to consider draft resolution A/C.5/59/L.10, entitled "Scale of assessments for the apportionment of the expenses of the United Nations".

48. *Draft resolution A/C.5/59/L.10 was adopted.*

Agenda item 118: Report of the Secretary-General on the activities of the Office of Internal Oversight Services (*continued*) (A/59/359 and A/58/785)

49. **Mr. Hills** (Officer of the Deputy Secretary-General), responding to the question posed by the representative of the United States of America on the Secretariat's follow-up to the organizational integrity initiative, reaffirmed the importance attached by the Secretary-General to integrity, ethical conduct and accountability and his commitment to addressing the concerns identified in the recent integrity perception survey.

50. In that connection, progress had been made on several fronts. First, the full results of the survey, together with a letter addressed to all staff outlining follow-up plans, had been published on the Internet. Departmental town-hall meetings had been scheduled in order to discuss the findings of the survey in the context of the specific realities of each department, and the senior-level group responsible for implementing those plans, chaired by the Deputy Secretary-General, had convened its first meeting. An informal body of staff volunteers would also be formed in order to strengthen dialogue with staff on integrity issues.

51. Second, a working group, led by the Office of Internal Oversight Services (OIOS), had also been convened in order to formulate more rigorous whistle-blower protection policies and a draft policy document was currently under discussion. Third, with a view to raising awareness about the Organization's code of professional conduct and providing information on dispute resolution, the Office of Human Resources Management was incorporating integrity concepts into the staff development curriculum and induction and senior-level orientation programmes. It was also in the process of reviewing the policies of different organizations on workplace harassment and intended to issue an administrative instruction on that issue in the near future. Lastly, a proposal for overhauling the high-level Accountability Panel was currently under consideration.

52. **Mr. Sach** (Director of the Programme Planning and Budget Division, Office of Programme Planning, Budget and Accounts), referring to paragraph 53 of the annual report of OIOS (A/59/359), recalled that the representative of Cuba had expressed concern that the permanent staff capacity of the Department of General Assembly Affairs and Conference Management had been set below the required level. In recent years, the Department's budget had been under considerable strain and, owing mainly to its efforts to respond to every request for meeting services, had accrued a deficit of approximately $30 million by the end of the previous biennium. However, considerable efforts had been made to streamline the management of the Department and, as a result, an additional $14 million had been added to the budget in order to ensure that resources were commensurate with requirements.

53. Budget forecasting was not an exact science. It was impossible to divine precise conference-servicing requirements in advance and, moreover, whether or not the resources allocated for that purpose were adequate depended not only on the amount of those resources but also on their efficient use. At present, however, no serious gap existed between resource requirements and allocation. Nevertheless, in an effort to improve the relationship between input and output, the Department of General Assembly and Conference Management would continue to make use of new technologies.

54. The representative of Cuba had also requested clarification as to the rationale behind the Secretary-General's suggestion that a comprehensive review of the operations of OIOS should be initiated. Although such a review would provide an opportunity to identify areas of weakness and develop measures to further strengthen the Office, it would be up to the General Assembly itself to decide whether or not to proceed with the exercise and to define its terms of reference.

55. **Mr. Da Costa** (Director of the Logistics Support Division, Department of Peacekeeping Operations), responding to the remarks relating to the cockpit voice recorder made by the representative of Cuba said that the OIOS investigation had concluded that the voice recorder in the possession of the United Nations was not from the presidential plane crash of 6 April 1994, but that it had not been properly tracked or examined. Staff in the Department of Peacekeeping Operations

had concluded, merely on visual inspection, that the voice recorder was not from the plane crash and that assumption had coloured every subsequent decision, including the failure to report up the chain of command. In addition, the reporting mechanisms within the Department did not keep senior management sufficiently aware of developments in the field.

56. To address those shortcomings, OIOS had recommended that the Department of Peacekeeping Operations should conduct a risk analysis of information flow through the internal chain of command and introduce procedures that would mitigate the risk of failing to report important matters to senior managers, particularly during times of crisis. It had also recommended improving archiving procedures and facilities. All those recommendations had been accepted by the Department and were in the process of being implemented.

57. **Ms. Goicochea** (Cuba) expressed her thanks to Mr. Sach and Mr. Da Costa for their remarks, but requested that they should be circulated in written form. While she had taken note of the recent improvements in the budgetary position of the Department of General Assembly and Conference Management, her specific concerns about the Department's insufficient staffing level had not been addressed. Although budgetary forecasting was not an exact science, resource planning should be. The Secretariat must ensure that sufficient resources were available to enable the General Assembly to fulfil its legislative mandate.

58. Although her delegation did not see why a review of OIOS was necessary, it was willing to pursue discussions on the issue. However, further clarification was required as to the modalities of such a review. She wished to know whether reviews of OIOS had ever been conducted by entities from individual Member States and, if so, on how many occasions, and whether those reviews had been carried out pursuant to any specific mandate or terms of reference.

59. Lastly, the cockpit voice recorder incident had revealed serious inefficiencies within the Secretariat. In the context of the reform of the Organization, a genuine accountability mechanism must be implemented in order to prevent the recurrence of such shortcomings.

60. **Mr. Elji** (Syrian Arab Republic) voiced the serious concerns of his delegation regarding the insufficiency of resources for conference servicing and pointed out that the failure to respect the principle of multilingualism constituted a violation of the Charter of the United Nations. The Office of Internal Oversight Services had concluded that the resources requested by the Department of General Assembly and Conference Management for the biennium 2002-2003 were not adequate to meet conference-servicing needs. It was therefore very surprising to see that the Department had requested an even lower level of resources for the biennium 2004-2005. In its first performance report for the current biennium, the Secretariat must ensure that it requested sufficient resources to enable it to fulfil its mandate. In that connection, his delegation would, if necessary, support the granting of extra resources to the Department of General Assembly and Conference Management.

61. **Mr. Nair** (Under-Secretary-General for Internal Oversight Services) said that the activities of OIOS were carried out pursuant to the relevant General Assembly resolutions defining its mandate, in particular resolution 54/244. Its recommendations tended to relate solely to the organizational structures and working methods of the audited entities and great care was taken to avoid making any recommendations that would impinge on the legislative mandates of those entities, since intergovernmental approval must be sought for any substantive changes. For instance, the audit of the Economic and Social Commission for Western Asia (ESCWA) had given rise to a recommendation designed to improve working methods in the area of statistical information, which entailed no changes to its mandate.

62. Turning to the remarks made by the representative of Cuba in relation to the suggested review of OIOS, he said that it would take place only once the General Assembly had given its approval and determined specific terms of reference. Although he was always willing to discuss the general activities of the Office with representatives of Member States, no in-depth review of OIOS had ever been conducted by national entities and there were no plans to allow such reviews in future, since the Office was not subject to any outside scrutiny that had not been mandated by the General Assembly.

63. **Mr. Elji** (Syrian Arab Republic) recognized that the work of OIOS had improved significantly over the previous five years and that there had been far fewer incidences of deviation from its mandate. His remarks

about the audit of the regional commissions had been based on the assumption that the commissions would conduct their own reviews of the audit, which would then be examined by their Member States.

64. **Ms. Goicochea** (Cuba) said that, while she agreed with the representative of the Syrian Arab Republic that the work of OIOS had improved significantly over the past five years, any decisions, even of an administrative nature, taken by intergovernmental bodies constituted an integral part of their mandate and, as such, should not be the subject of OIOS recommendations.

65. Turning once again to the issue of the suggested review of OIOS, she said she knew that at least one Member State had carried out a review of the Office in the years preceding Mr. Nair's appointment. No United Nations structure should be subject to scrutiny by national oversight bodies, although informal exchanges on general issues between the Office and Member States should be encouraged as they increased mutual understanding.

The meeting rose at 11.45 a.m.